



NOMURA
Residential Fund

NOMURA REAL ESTATE RESIDENTIAL FUND

13th Fiscal Period

(Ended May 31, 2013)

Analyst Meeting Presentation Material



July 17, 2013

NOMURA RESIDENTIAL FUND
3240



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NOMURA REAL ESTATE RESIDENTIAL FUND

July 17, 2013



Highlights of the 13th Fiscal Period

13th Fiscal Period (ended May 31, 2013) Financial Statement Overview

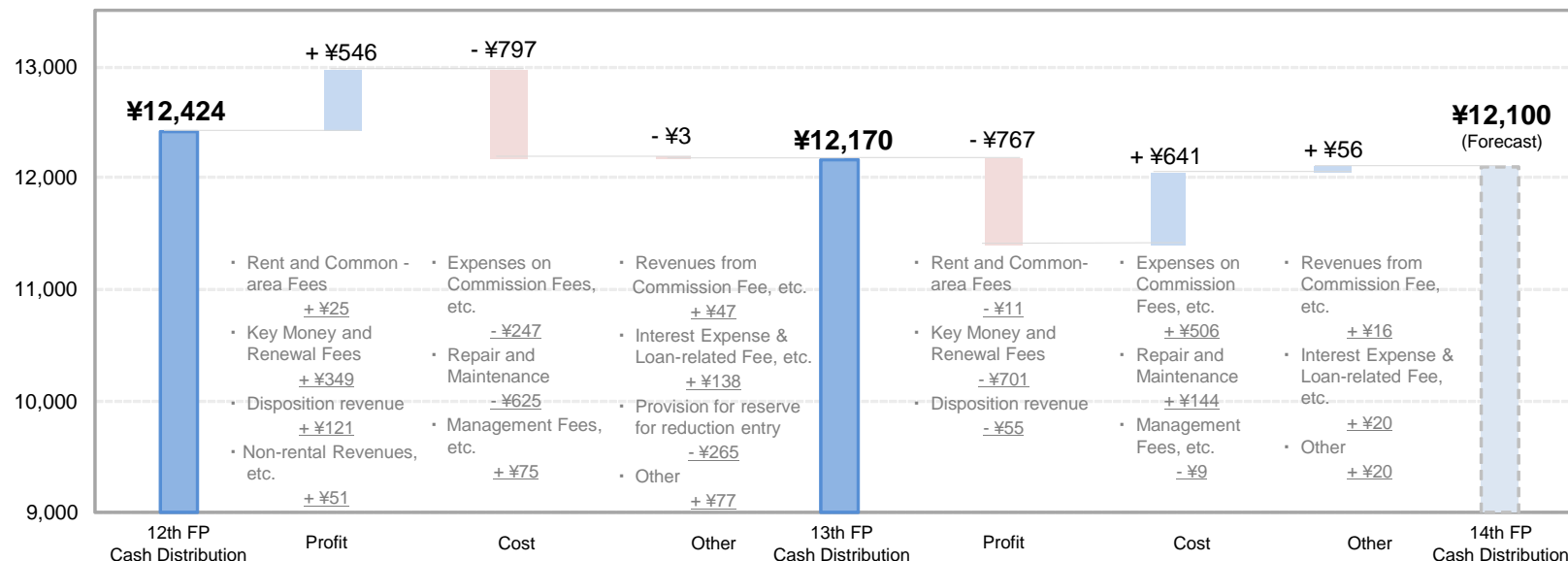
Financial Statement Overview

	12th Fiscal Period (ended Nov. 30, 2012)	13th Fiscal Period (ended May 31, 2013)	Difference (previous period)	14th FP Forecasts (ending Nov. 30, 2013)	Difference to 13th FP Results
Operating Revenues	¥5,174 million	¥5,257 million	+ 1.6 %	(Forecast) ¥5,141 million	- 2.2 %
Operating Profits	¥2,452 million	¥2,433 million	- 0.8 %	(Forecast) ¥2,379 million	- 2.2 %
Net Income	¥1,875 million	¥1,876 million	+ 0.1 %	(Forecast) ¥1,826 million	- 2.7 %
Cash Distribution Per Unit	¥12,424	¥12,170	- 2.0 %	(Forecast) ¥12,100	- 0.6 %

(Forecast Announced in Jan. 2013: ¥12,100/unit)

Difference in Cash Distribution

(yen/unit)



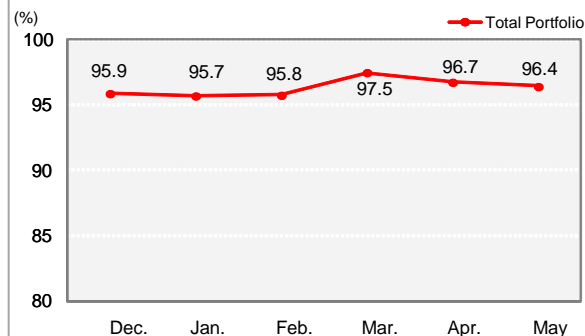
13th Fiscal Period Performance

Management

- Maintain high occupancy rate

[Occupancy Rate]

End of 12th FP: 96.2% → End of 13th FP: **96.4%**



- Increasing Nomura Living Support Co., Ltd. (NLS) share of the property management.

- Revenues increased through splitting work on large residential units

[Period average occupancy rate]

(12th FP) (13th FP)

Total Portfolio	95.8% → 96.3%	(+ 0.5pt)
Greater Tokyo Area	94.9% → 96.0%	(+ 1.1pt)
Other Areas	97.7% → 97.0%	(- 0.7pt)

Acquisition

- Continuing replacement of properties

Acquisition



URBAN STAGE Mejiro (Shinju-ku, Tokyo)

- Acquisition Price ¥1,260 million
- NOI Yield **5.5 %** *1
- Building Age 8.0 years *2

Disposition



URBAN STAGE Toritsu Daigaku
(Meguro-ku, Tokyo)

- Disposition Price ¥564 million
- NOI Yield **5.5 %** *1
- Building Age 26.0 years *2



URBAN STAGE Mianami Gyotoku I
(Ichikawa-shi, Chiba)

- Disposition Price ¥365 million
- NOI Yield **3.0 %** *1
- Building Age 20.8 years *2

- Improving portfolio quality

[Portfolio at May 31, 2013 (152 properties)]

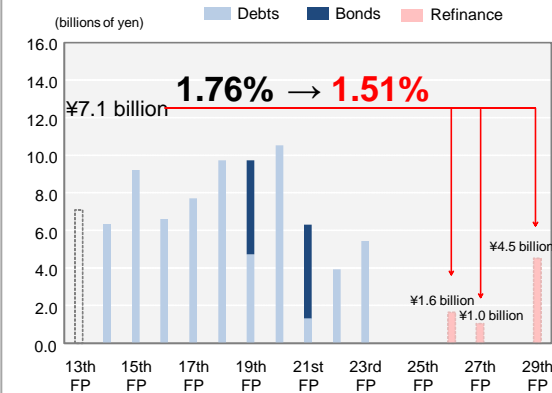
Asset Size: ¥150.96 billion

Portfolio NOI Yield: **5.4 %**

Building Age: 9.9 years

Finance

- Refinancing approx. ¥7.1 billion



- Lower interest costs
- Diversification of repayment date
- Elongation/fixation of debt financing

(12th FP) (13th FP)

Weighted Average Interest Rate 1.27% → **1.24%** (- 0.03pt)

LTV Level 53.0% → 53.0% (±0.0pt)

Maintain High Occupancy Rate

+

Replacing Properties

+

Refinance

Continuing Stable Cash Distribution

*1 For acquisitions, the NOI yield is sought by dividing the total annual NOI indicated in the real estate appraisal reports of each property at the time of their acquisition by the total acquisition price of each acquired asset. For sales, the NOI yield is sought by dividing the total rent NOI annualized based on the number of operating days by the total acquisition price of each of NRF's assets in the period in which each asset was sold.

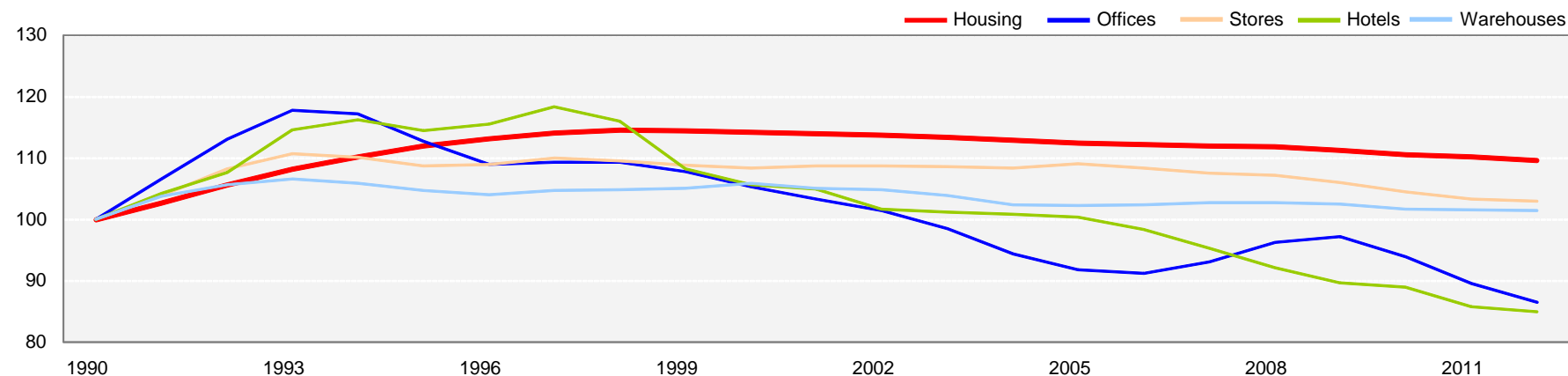
*2 The building age is as of the point of acquisition or sale of each property.



Fund Management Summary

Rental Housing Investment Characteristics

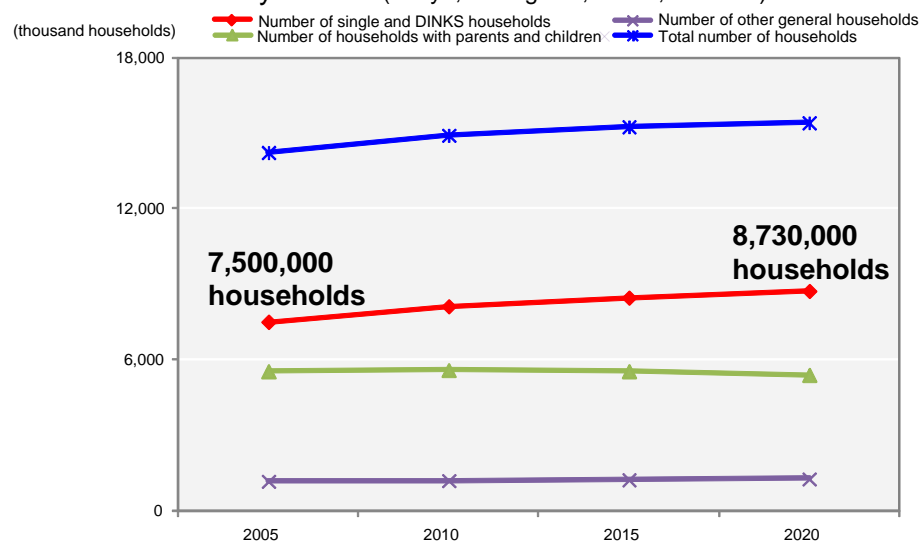
Changes in Rent Index by Purpose [Nationwide]



Source: Created by NREAM based on the Ministry of Internal Affairs and Communications "Consumer Price Index Annual Report (1990-2012)" and the Bank of Japan "Service Price Index for Companies (1990-2012)"
 * The line graph shows the index of each year with 1990 set as 100.

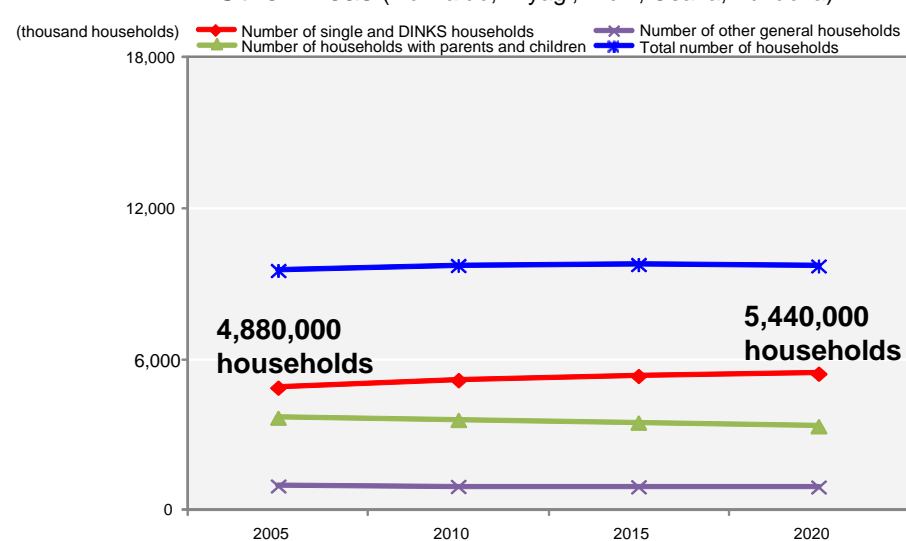
Projections on Number of Households → Ongoing demand expected from small households

● Tokyo Areas (Tokyo, Kanagawa, Chiba, Saitama)

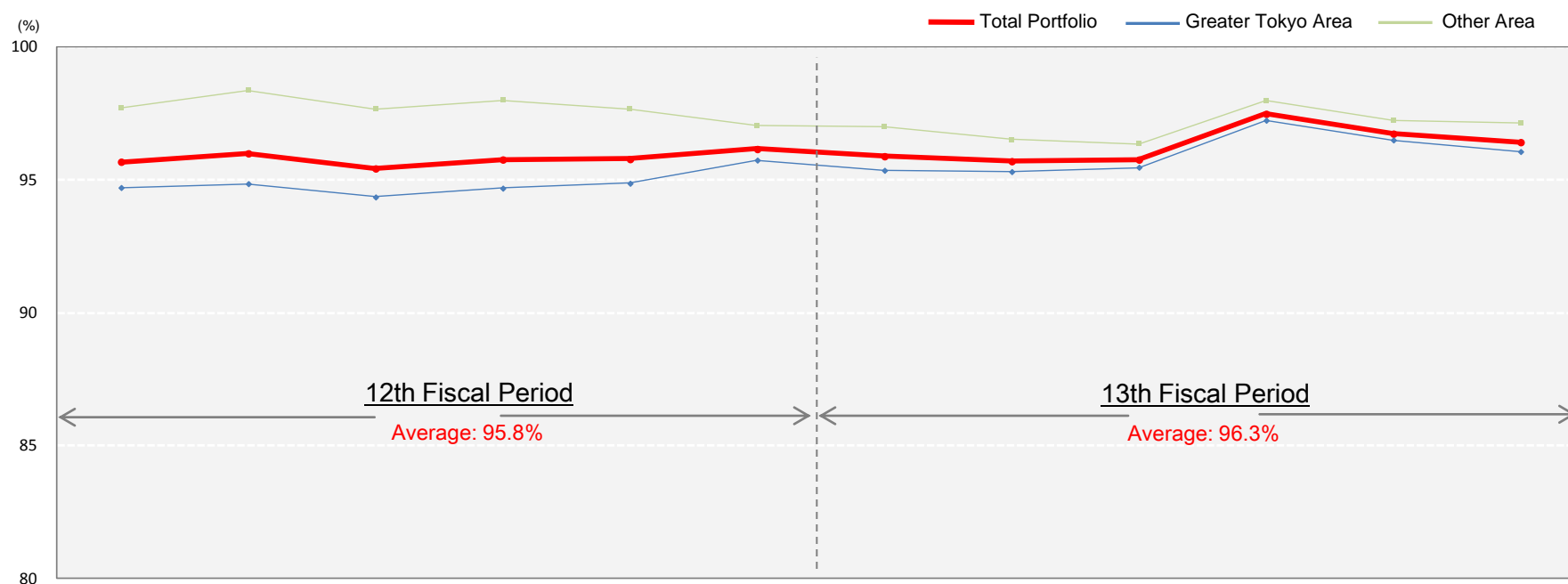


Source: Created by NREAM based on the National Institute of Population and Social Security Research (IPPS)
 "Household Projections for Japan (by Prefecture)" (projections as of December 2009).

● Other Areas (Hokkaido, Miyagi, Aichi, Osaka, Fukuoka)



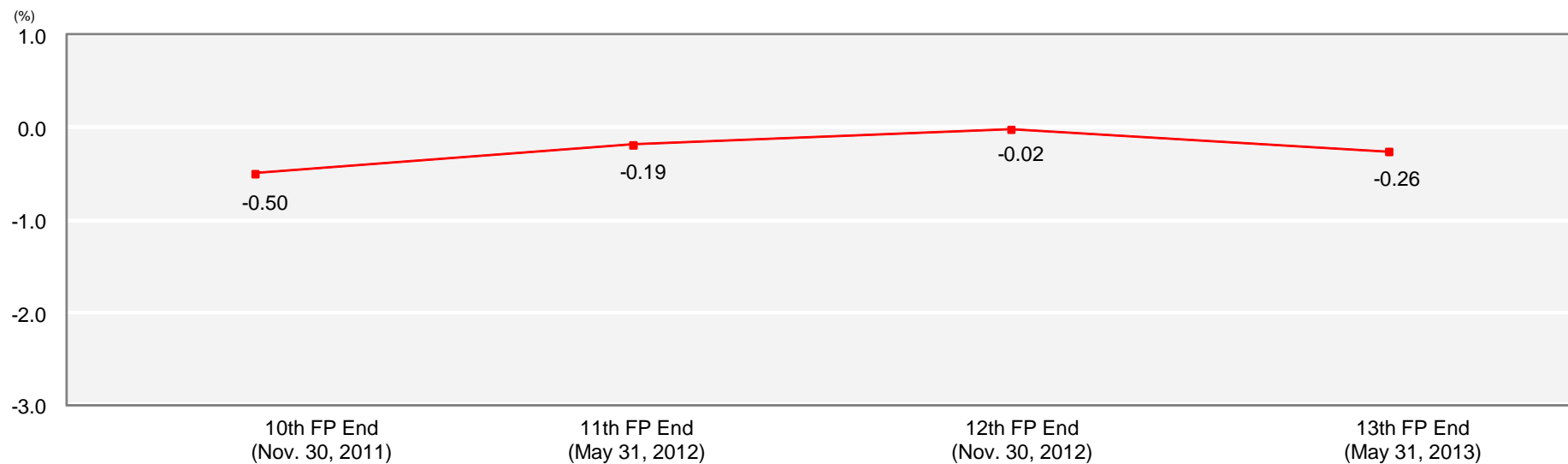
Portfolio Occupancy Rate



Area	Jun. 2012	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2013	Feb.	Mar.	Apr.	May
Total Portfolio	95.7%	96.0%	95.4%	95.8%	95.8%	96.2%	95.9%	95.7%	95.8%	97.5%	96.7%	96.4%
Greater Tokyo Area	94.7%	94.9%	94.4%	94.7%	94.9%	95.7%	95.4%	95.3%	95.5%	97.2%	96.5%	96.1%
Other Area	97.7%	98.4%	97.7%	98.0%	97.7%	97.0%	97.0%	96.5%	96.4%	98.0%	97.2%	97.2%
Leasable Floor Area	79,521tsubo	79,521tsubo	79,521tsubo	79,521tsubo	79,521tsubo	79,521tsubo	79,521tsubo	79,522tsubo	79,221tsubo	79,014tsubo	79,014tsubo	79,545tsubo

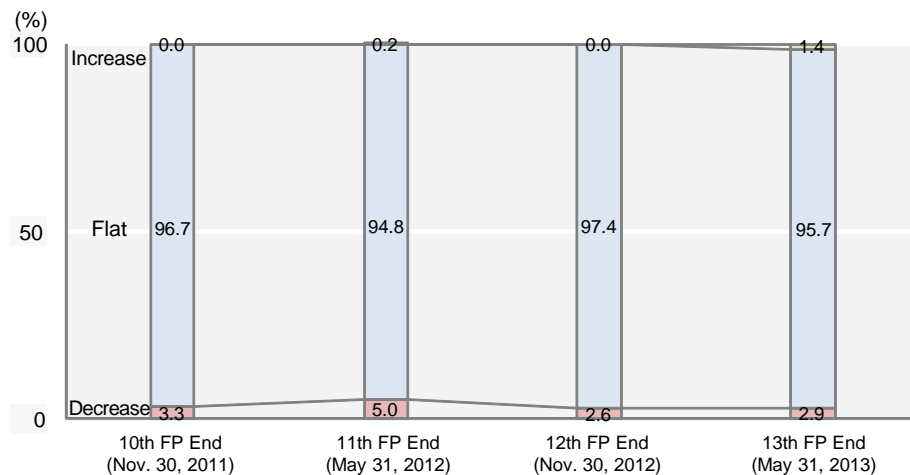
Changes in Leased Units and Rent Level

Rate of Change in Rent per Property

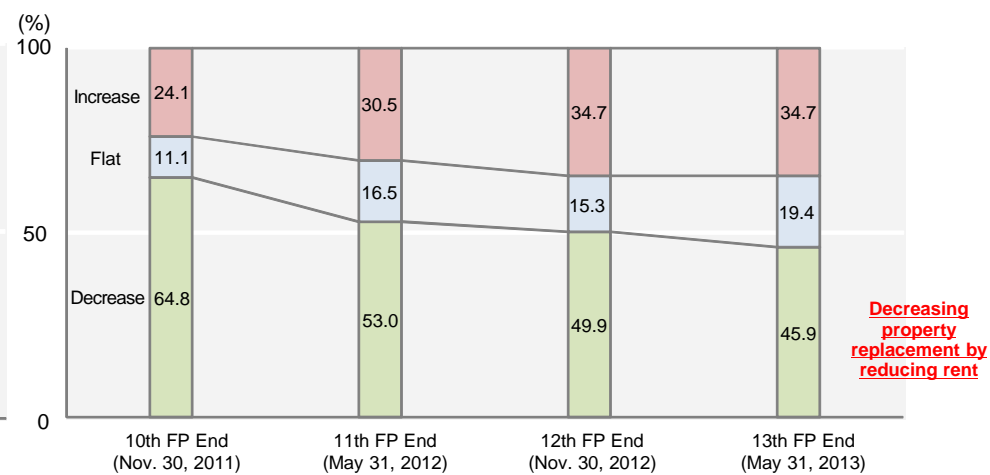


* Rate of change in rent per property is the comparison with the rent per property owned by NREAM at the end of the previous fiscal period.

Rent Change at Lease Renewals



Rent Change Before Move-out and After Move-in



Measures for Increasing Property Competitiveness

Remodeling to Meet Tenant Needs



URBAN STAGE Komagome

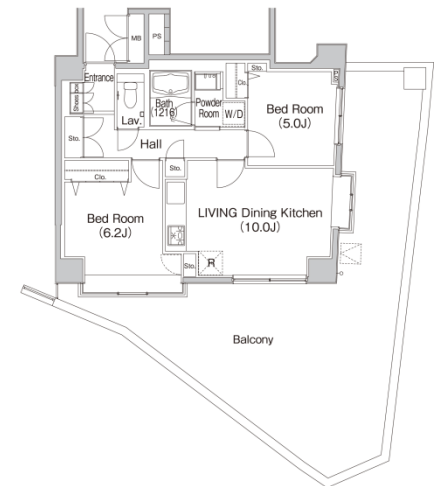
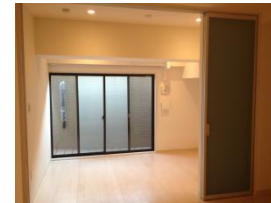
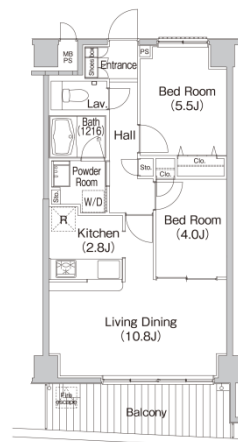
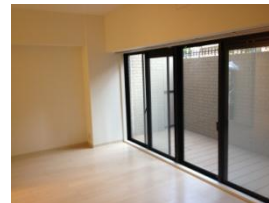
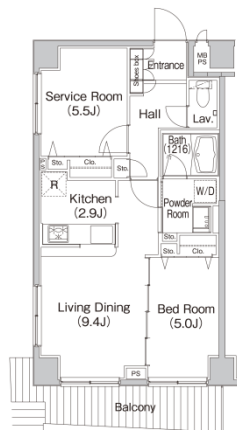
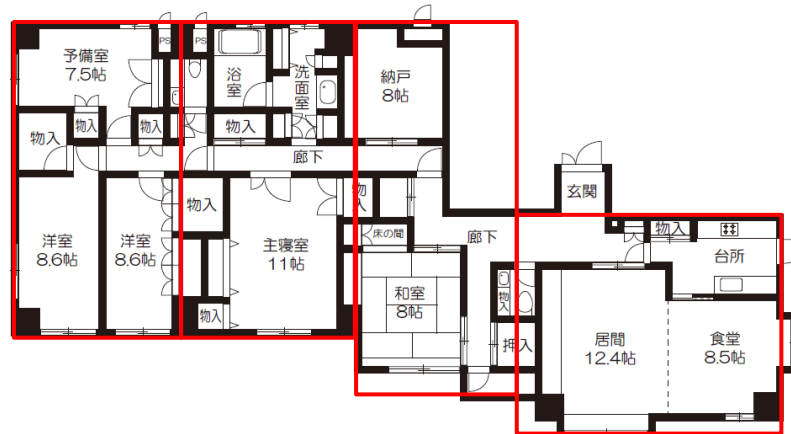
Monthly rent
before splitting

¥400 thousand

Monthly rent after
splitting (total of 4 units)

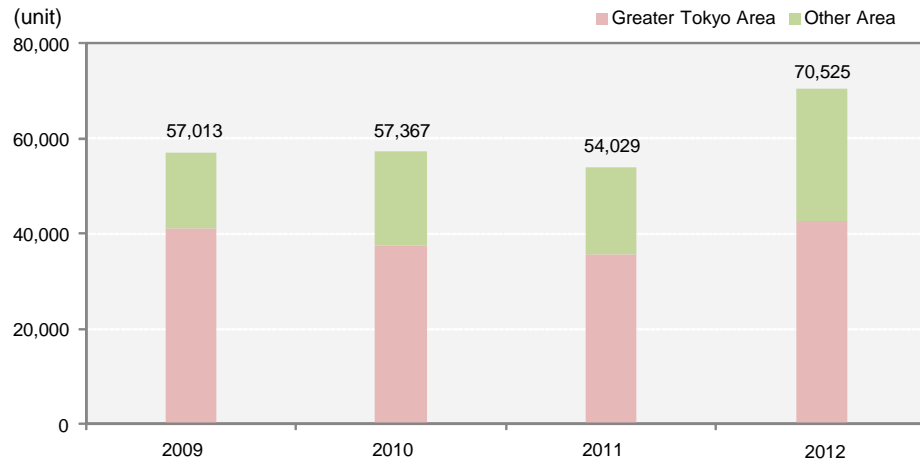
¥603 thousand (+50.8% up)

*The above monthly rents include common-area fees.



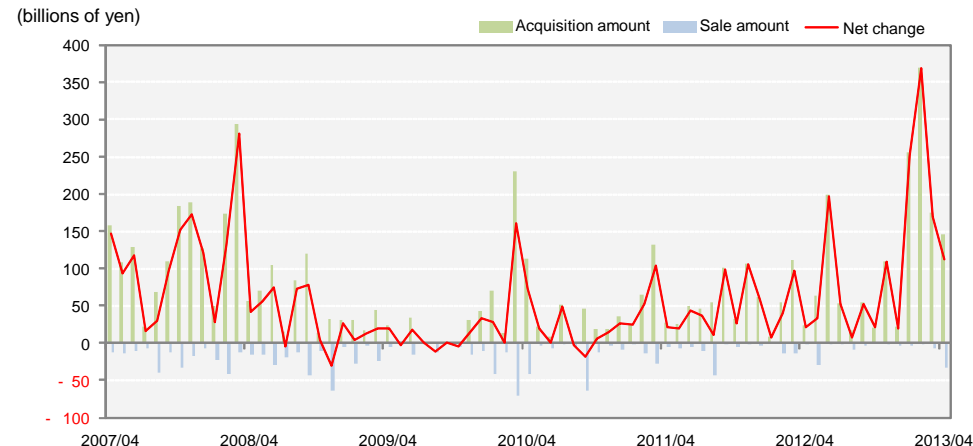
Real Estate Investment Market

Supply of New Properties (Number of Building Starts)



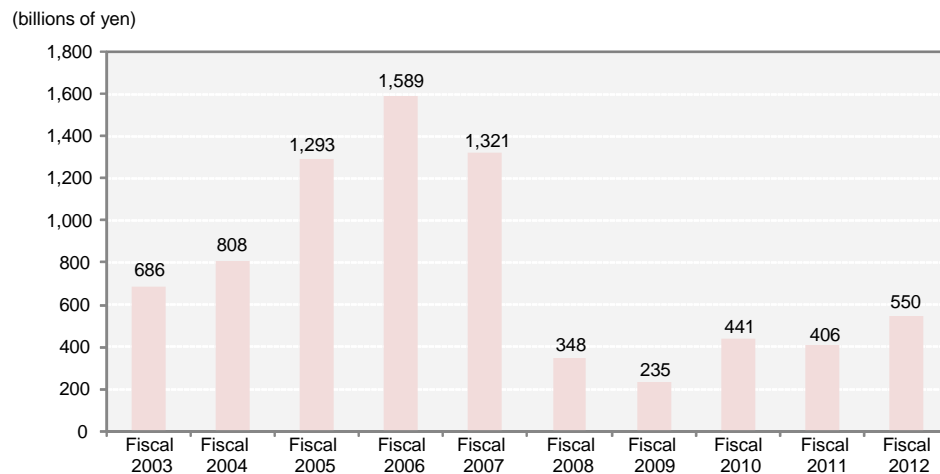
Source: Created by NREAM based on the MLIT's "Housing Start Statistics. The above are the totals of building starts of residences for rent classified as apartment buildings of steel-framed reinforced concrete or reinforced concrete structure in the Housing Start Statistics from January to December of each year.

Change in J-REIT Real Estate Acquisition and Sale Amount



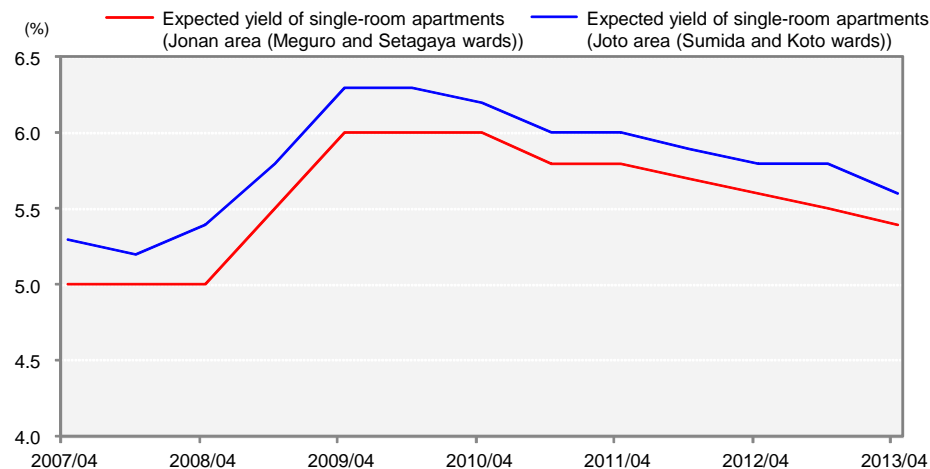
Source: Created by NREAM based on the Investment Trust Association, Japan's Statistics on Real Estate Investment Corporations and public documents of listed J-REITs.

Supply of Existing Properties (Change in Private Funds' Acquisition Amounts)



Source: MLIT's 2012 Fact-Finding Study on Real Estate Securitization

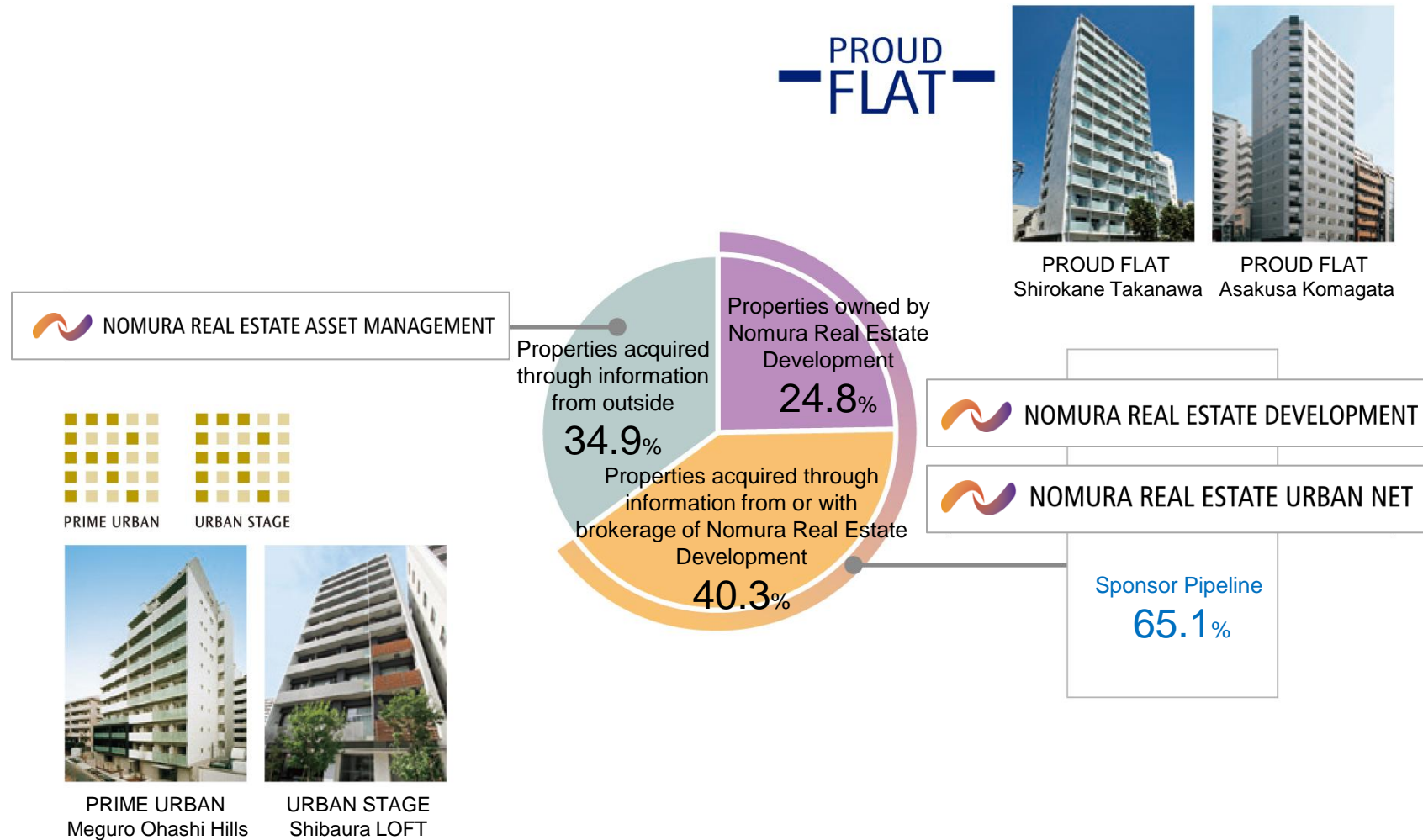
Change in Expected Yield



Source: Japan Real Estate Institute's Real Estate Investor's Survey

Utilization of Diverse Sourcing Routes

Breakdown of Acquired Properties by Sourcing Route



Strategy for Replacing Properties

Market: Acquiring Information on Prime Properties

×

NRF: Reduced Relative Competitiveness in Some Properties



Promoting Property Replacement

Acquisition

- High Yield
- Low Building Age

- Low Management Efficiency
- High Building Age

Disposition

<Results>

Number of Properties	7	Properties
Property Price	7.17	Billion yen
Average NOI Yield	6.2	% *1
Average Building Age	4.7	Years *2



US Meijiro US Koganei Honcho US Kamimaezu US Kasai East US Yoga US Itabashi Kuyakushomae

*1: The average NOI yield is the NOI in the appraisal report weighted by the acquisition price.
*2: The average building age is weighted by acquisition price.



NOMURA
Residential Fund

Portfolio at 13th Fiscal Period End

Number of Properties	152	Properties
Property Price	150.96	Billion yen
Average NOI Yield	5.4	%
Average Building Age	9.9	Years



<Results>

Number of Properties	6	Properties
Property Price	2.76	Billion yen
Average NOI Yield	4.7	% *3
Average Building Age	17.8	Years *4



US Minami Urawa US Toritsu Daigaku PU Ebisu Minami US Tennocho

*3: The average NOI yield is weighted by acquisition price.
*4: The average building age is weighted by acquisition price.

Improving the Quality and Profitability of Portfolios

Changes in Asset Size

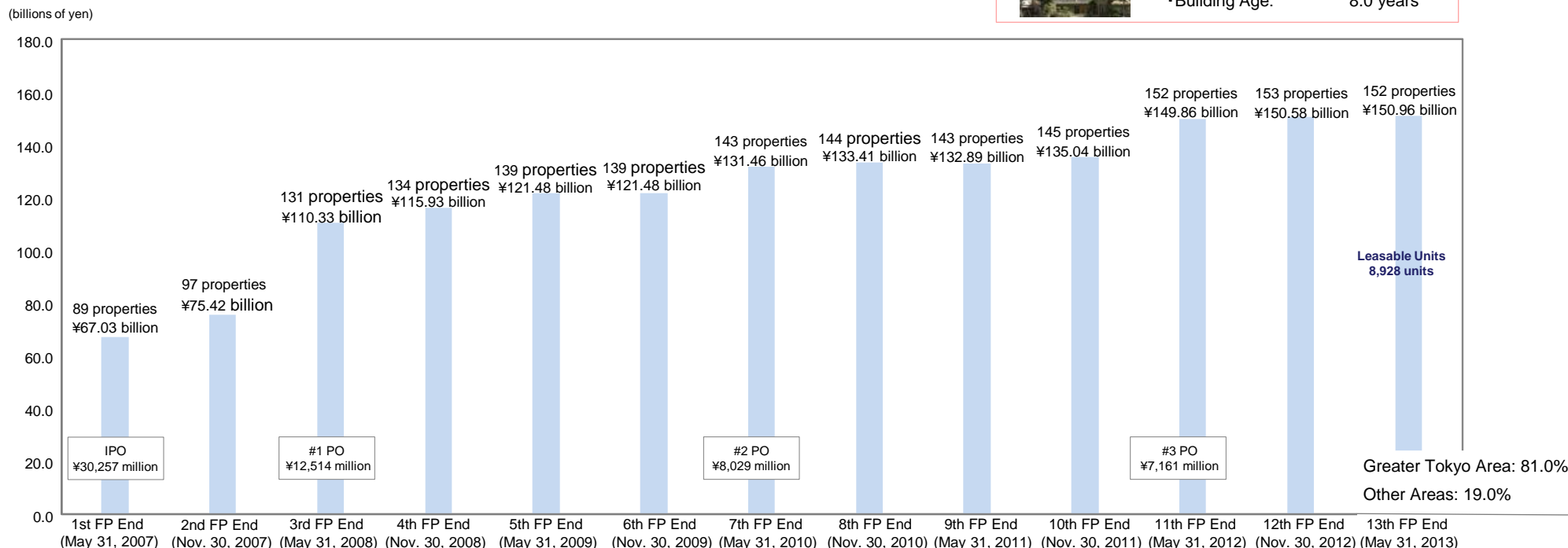
Stable Growth of Portfolio

Acquisition (13th FP)



Acquisition : US Mejiro

- Acquisition Price: ¥1,260 million
- Appraisal Value: ¥1,310 million
- NOI Yield: 5.5 %
- Building Age: 8.0 years



*The graph is based on the total acquisition price as of each fiscal period end (rounded down to the nearest 10 million).

Portfolio Overview (13th Fiscal Period End)

Acquisition Price **¥150,966 million**

Average Rent Per Unit **approx. ¥94 thousand**

Leasable Units **8,928 units**

Average Leasable Floor Area Per Unit **approx. 29 sqm**

Financial Status (13th Fiscal Period End)

Interest-bearing Debt

Interest-bearing Debt Total **¥83,002 million**

Average Remaining Duration of Interest-bearing Debt **2.7 years**

Weighted Average Interest Rate **1.24 %**

Long-term Interest-bearing Debt Ratio **81.1 %**

Fixed-rate Interest-bearing Debt Ratio **89.9 %**

LTV Level **53.0 %**

*Investment Corporation Bonds are included in the "Interest-bearing Debt."

*Long-term Ratio, when including "long-term loans due within a year" in long-term loans, is 100.0%.

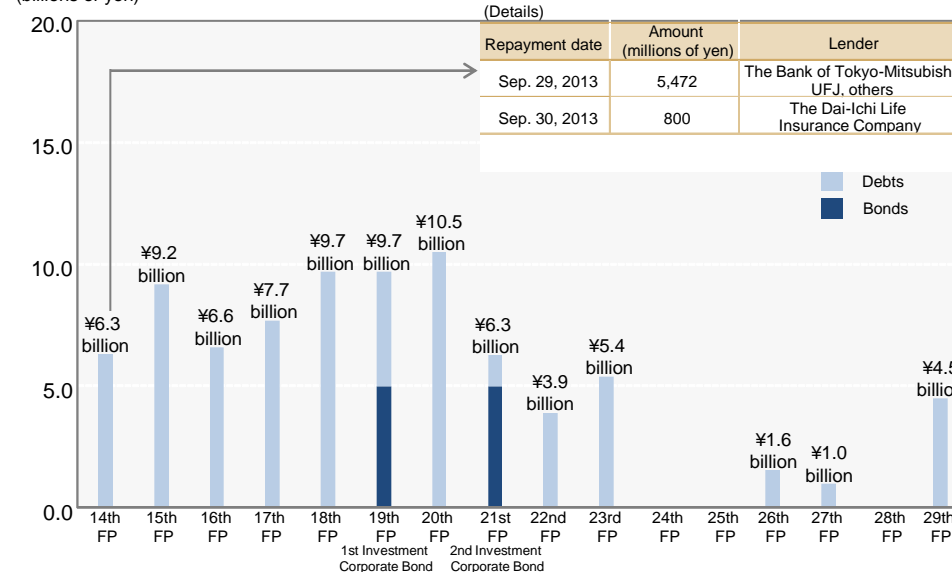
**"Loan Interest Rate Fixed Ratio" includes floating rate loans which have been fixed through interest rate swaps.

Credit Rating

Agency	Rating	Outlook
JCR	Long-term issuer rating: AA	Stable
S&P	Long-Term Corporate Credit Ratings: A	Stable
	Short-Term Corporate Credit Ratings: A-1	

Maturity Diversification

(billions of yen)



Lender Diversification (19 Lenders)

(millions of yen)

Major Banks (4)		Trust Banks (4)		Regional Banks (4)	
The Bank of Tokyo-Mitsubishi UFJ	11,524	Mitsubishi UFJ Trust and Banking	11,524	The Iyo Bank	1,000
Sumitomo Mitsui Banking	11,524	The Sumitomo Mitsui Trust and Banking	4,920	The Bank of Fukuoka	1,000
Mizuho Bank *	6,620	The Nomura Trust and Banking	3,700	The Chiba Bank	750
Resona Bank Limited	1,900	Mizuho Trust & Banking Co., Ltd.	1,000	The Tokyo Tomin Bank, Ltd.	500

Insurance Companies (4)		Others (3)	
Taiyo Life Insurance	3,000	Development Bank of Japan	7,820
Mitsui Sumitomo Insurance	2,100	Shinkin Central Bank	1,720
Daido Life Insurance	1,100	Aozora Bank	500
The Dai-ichi Life Insurance	800	Total Borrowings	73,002

(Reference)

Investment Corporate Bond	10,000
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Management Strategies

Management

Rental Market

- Continuation of tight supply-demand environment

Enhancing Portfolio Profitability

- Maintain high occupancy
- Renovating properties and providing other services to tenants
 - Improving lease conditions

Acquisition

Real Estate Investment Market

- Increasing property transactions

Improving Portfolio Quality

- Promoting property replacement continuously
 - Selling properties that are aged, or whose profitability is lowered
 - Acquiring properties considering NOI yield

Finance / Capital

Financial Market

- Promote the continuation of monetary easing policy

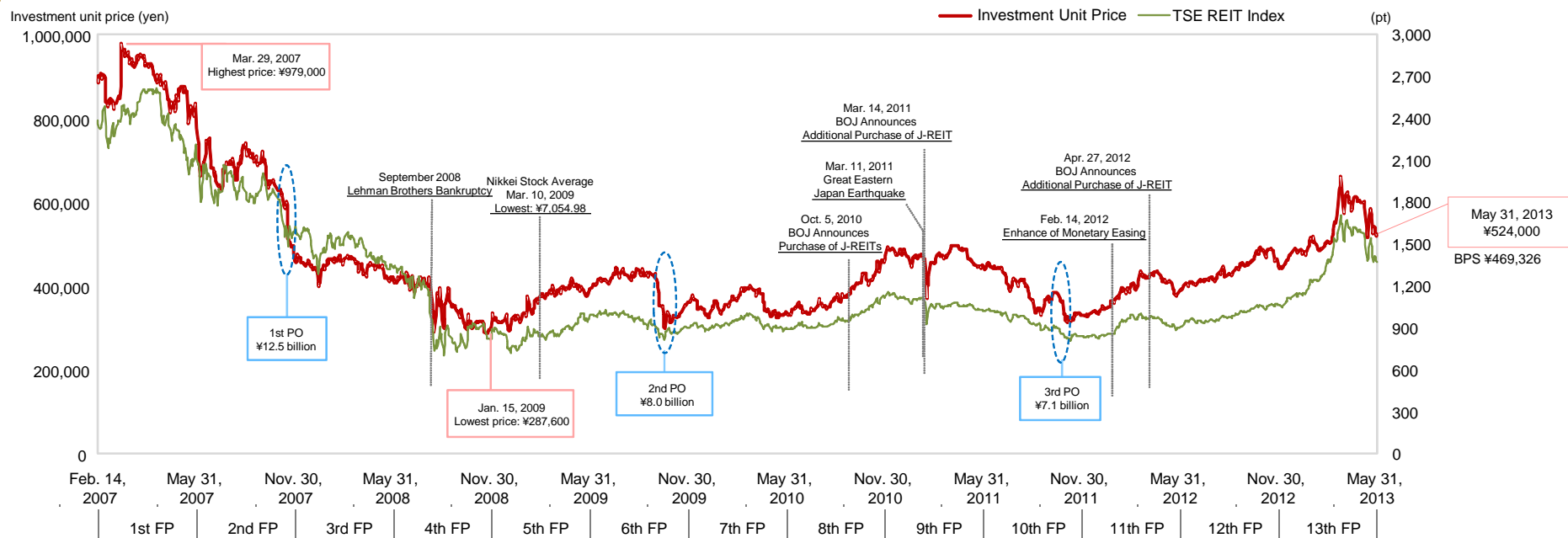
Improving Borrowing Conditions

- Refinancing approx. 6.3 billion yen in 14th FP
 - Lower interest costs
 - Longer duration

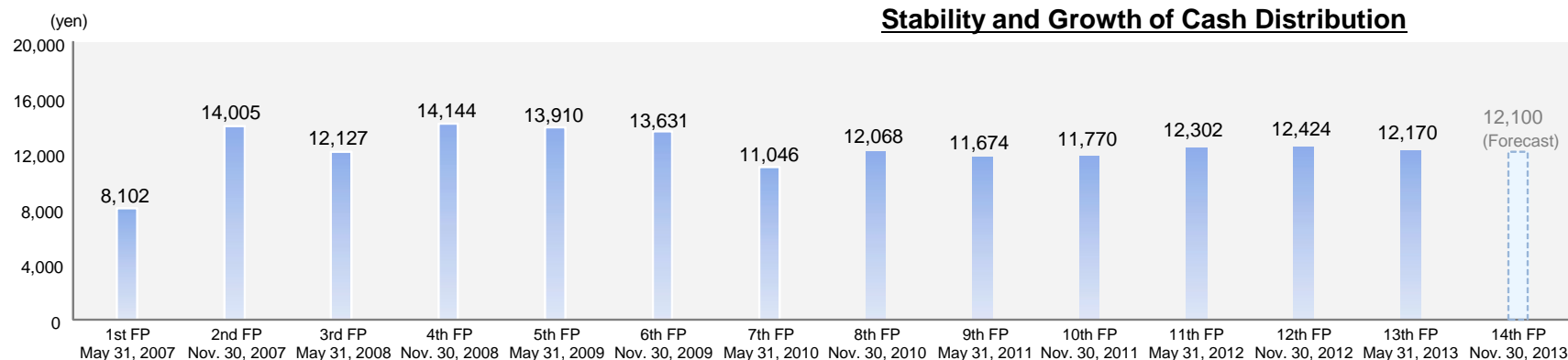
Maintaining a Stable Level of Cash Distribution

Changes in Investment Unit Price and Cash Distribution

Changes in Investment Unit Price



Changes in Cash Distribution





A P P E N D I X



Details of the Financial Results

Income Statement

		12th Fiscal Period From Jun. 1, 2012 To Nov. 30, 2012	13th Fiscal Period From Dec. 1, 2012 To May 31, 2013	Difference from Previous Period (13th FP - 12th FP)	
		Amount	Amount	Difference	Difference
Operating Revenue		5,174,635	5,257,115	82,479	1.6%
Real Estate Rental Business Revenues	*1	5,174,635	5,238,904	64,269	1.2%
Rental Business Revenues		4,833,156	4,836,942	3,786	0.1%
Other Rental Business Revenues		341,479	401,962	60,482	17.7%
Parking Lot Revenue		134,997	132,230	-2,767	-2.1%
Incidental Revenue	*2	148,721	201,809	53,088	35.7%
Other Real Estate Rental Revenues	*3	57,759	67,921	10,161	17.6%
Real Estate Disposition Revenue		—	18,210	18,210	—
Operating Expense		2,721,882	2,823,675	101,792	3.7%
Real Estate Rental Business Expenses	*1	2,131,898	2,252,269	120,371	5.6%
Repair Expenses	*4	178,147	251,156	73,009	41.0%
Tax and Public Dues	*5	256,024	259,940	3,916	1.5%
Depreciation and Amortization		967,546	967,193	-352	-0.0%
Other Rental Business Expenses		730,180	773,978	43,798	6.0%
Asset Management Fees		379,006	375,947	-3,058	-0.8%
Other Operating Expenses	*6	210,978	195,458	-15,520	-7.4%
Operating Profits		2,452,752	2,433,439	-19,312	-0.8%
Non-Operating Revenues		4,733	3,602	-1,131	-23.9%
Non-Operating Expenses		580,992	558,985	-22,007	-3.8%
Interest Expenses		477,313	465,391	-11,922	-2.5%
Investment Corporation Bond Interest		55,708	56,248	539	1.0%
Other Non-Operating Expenses	*7	47,970	37,345	-10,624	-22.1%
Ordinary Income		1,876,493	1,878,056	1,562	0.1%
Net Income Before Tax		1,876,493	1,878,056	1,562	0.1%
Corporate Income Tax, etc.		1,223	1,216	-7	-0.6%
Net Income		1,875,270	1,876,840	1,570	0.1%
Retained Earnings Brought Forward		77	118	41	53.2%
Retained Earnings at Fiscal Period End		1,875,347	1,876,958	1,611	0.1%
Total Cash Distribution		1,875,228	1,836,891	-38,337	-2.0%

(Note) The amount of total cash distributions in the 13th Fiscal Period is the amount where the provision of reserve for reduction entry (¥40 million) is deducted from unappropriated retained earnings.

*Reference [13th Fiscal Period

- Real Estate Rental Business : ¥2,986,635 thousand
(from previous FP : ¥56,102 thousand)
- Incidental Revenues
Key Money : ¥78,815 thousand
Renewal Fee : ¥107,027 thousand
- Other Real Estate Rental Revenues
disaster,
cellphone antennae, vending machines, etc.
- Renovation Expenses
Repair Expenses : ¥251,156 thousand
Capital Expenditure : ¥138,959 thousand
Total : ¥390,116 thousand
- Tax and Public Dues (152 properties at FP End)
Subject Property : 151 properties
Excluded Property : 1 properties
Total : 152 properties
(estimate: ¥4,568 thousand/1 year)
- Other Operating Expenses
Duty Entrustment Fee : ¥38,066 thousand
Directors Fee, etc. : ¥4,800 thousand
- Other Non-Operating
Loan Related Expense, etc. : ¥27,293 thousand

(Figures are rounded down to the nearest thousand)

Balance Sheet

Assets

	12th Fiscal Period as of Nov. 30, 2012		13th Fiscal Period as of May 31, 2013	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Assets	6,646,820	4.2	6,857,193	4.4
Cash and Cash Equivalents	5,623,043	3.6	5,945,171	3.8
Cash and Cash Equivalent in Trust	939,396	0.6	811,980	0.5
Other Current Assets	84,380	0.1	100,041	0.1
Fixed Assets	150,002,479	95.7	149,671,583	95.6
Tangible Fixed Assets * 1	149,987,204	95.7	149,656,963	95.6
Real Estate	108,123,021	69.0	115,078,206	73.5
Building	53,028,525	33.8	54,509,622	34.8
Land	55,094,496	35.2	60,568,584	38.7
Real Estate in Trust	41,849,111	26.7	34,572,444	22.1
Building in Trust	13,187,857	8.4	11,105,042	7.1
Land in Trust	28,661,254	18.3	23,467,401	15.0
Construction in Progress	15,071	0.0	6,312	0.0
Intangible Fixed Assets	3,101	0.0	2,579	0.0
Other Intangible Fixed Assets	3,101	0.0	2,579	0.0
Investment and Other Assets	12,173	0.0	12,040	0.0
Security Deposits	10,879	0.0	10,879	0.0
Long-term Repaid Expenses	1,294	0.0	1,161	0.0
Deferred Assets	54,513	0.0	47,243	0.0
Investment Corporation Bond Issuing Exp	54,513	0.0	47,243	0.0
Total Assets	156,703,813	100.0	156,576,020	100.0

*1 Tangible Fixed Asset

(unit : million of yen)

	Acqisition Price	Accumulated Depreciation	(Depreciation for current FP)	Book value at FP end
Real Estate, etc.	159,137	9,480	(967)	149,656
Building	61,604	7,094	(788)	54,509
Land	60,568	—	—	60,568
Building in Trust	13,491	2,386	(178)	11,105
Land in Trust	23,467	—	—	23,467
Construction in Progress	6	—	—	6

Liabilities and Net Assets

	12th Fiscal Period as of Nov. 30, 2012		13th Fiscal Period as of May 31, 2013	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Liabilities	14,900,799	9.5	16,979,054	10.8
Trade Accounts Payable	203,216	0.1	218,477	0.1
Long-term Loan Due Within One Year * 2	13,552,000	8.6	15,652,000	10.0
Other Accounts Payable	305,480	0.2	292,165	0.2
Taxes Payable	12,769	0.0	15,782	0.0
Accrued Expenses	168,844	0.1	137,301	0.1
Rent Received in Advance	656,113	0.4	660,263	0.4
Deposits Payable	2,374	0.0	3,063	0.0
Fixed Liabilities	70,966,343	45.3	68,758,683	43.9
Investment Corporation Bonds * 2	10,000,000	6.4	10,000,000	6.4
Long-term Loans * 2	59,540,000	38.0	57,350,000	36.6
Security Deposits	968,657	0.6	1,018,403	0.7
Security Deposits in Trust	457,685	0.3	390,280	0.2
Total Liabilities	85,867,142	54.8	85,737,738	54.8
Unitholders Equity	70,836,670	45.2	70,838,281	45.2
Unitholders Capital	68,961,322	44.0	68,961,322	44.0
Retained Earnings	1,875,347	1.2	1,876,958	1.2
Total Net Assets	70,836,670	45.2	70,838,281	45.2
Total Liabilities and Net Assets	156,703,813	100.0	156,576,020	100.0

*2 Loans (long-term loans due within a year are included in the short-term loans)

Balance of interest-bearing debts (millions of yen) 83,002

Total asset interest-bearing debt ratio $\left[\frac{\text{Short-term loans+bonds + Long-term loans}}{\text{total assets}} \right]$ 53.0%

Long-term interest-bearing debt ratio $\left[\frac{\text{Bonds + Long-term loans}}{\text{Short-term loans+bonds + Long-term loans}} \right]$ 81.1%

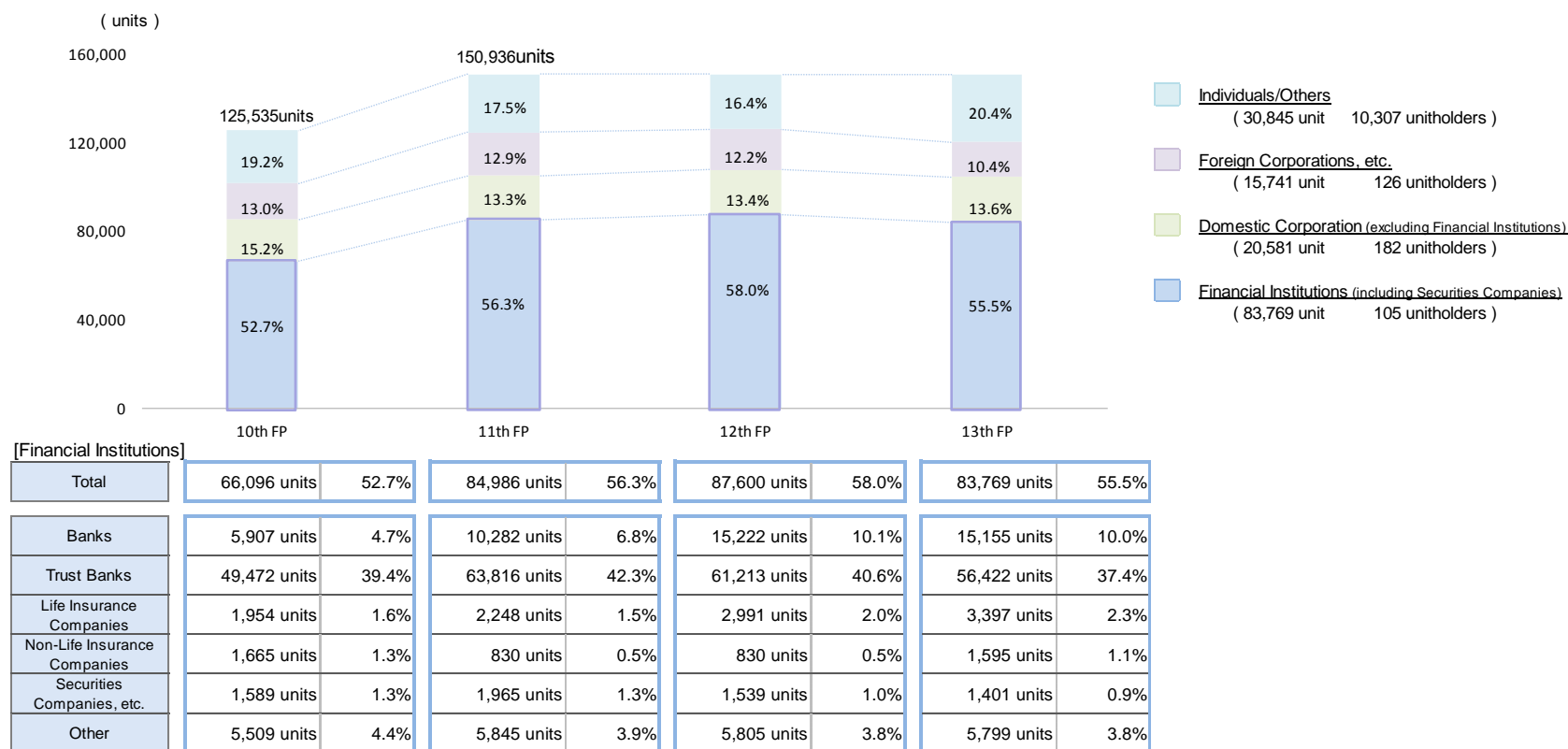
Forecasts for the 14th Fiscal Period

	13th Result From Dec. 1, 2012 To May 31, 2013 Amount (millions of yen)	14th FP Forecast From Jun. 1, 2013 To Nov 30, 2013 Amount (millions of yen)	Difference Amount (millions of yen)
Operating Revenue	5,257	5,141	-116
Real Estate Rental Business Revenues	5,238	5,131	-107
Real Estate Disposition Revenue	18	9	-9
Operating Expense	2,823	2,761	-62
Real Estate Rental Business Expenses	2,252	2,155	-97
Repair Expenses	251	243	-8
Tax and Public Dues	259	258	-1
Depreciation and Amortization	967	969	2
Asset Management Fees	375	373	-2
Other Operating Expenses	195	232	37
Operating Profits	2,433	2,379	-54
Non-Operating Profit and Loss	555	552	-3
Interest Expenses	521	513	-8
Ordinary Income	1,878	1,827	-51
Net Income	1,876	1,826	-50
Number of Investment Units Issued (units)	150,936	150,936	0
Cash Distribution Per Unit (yen)	12,170	12,100	-70
Number of Properties (properties)	152	151	-1
Leasable Floor Area (sqm)	262,961	262,126	-835
Average Occupancy Rate (%)	96.3	95.8	-0.5

Assumptions	
【Properties】	
Number of Properties	: 151 properties
Total Amount of Acquisition Price	: ¥150,390 million
【Repair Expenses】	
<u>¥390 million for 13th Fiscal Period</u>	
<u>(¥138 million of which is capital expenditure)</u>	
Example)	
US Komagome (unit renovation)	: ¥45 million
 <u>¥308 million for 14th Fiscal Period</u>	
<u>(¥65 million of which is capital expenditure)</u>	
Example)	
US Ekoda (large-scale renovation)	: ¥18 million
US Sapporo Riverfront (Renovation work for common areas)	: ¥12 million
【Lorns】	
Total Interest-bearing Debt (as of Jul. 17, 2013)	: ¥83,002 million
 Interest-Bearing Debt Repayment Due During 14th FP(after Jul. 17, 2013)	
Repayment through loans (Sep 2013)	: ¥6,272 million
Agreed Repayment (Aug. 2013)	: ¥90 million

Unitholders (13th Fiscal Period End)

Changes in Ratio of Units Held by Unitholders



Top 10 Unitholders

#	Unitholders	Units	Ratio (%)
1	Japan Trustee Services Bank, Ltd.	29,188	19.34
2	Nomura Real Estate Development Co., Ltd.	15,240	10.10
3	The Nomura Trust and Banking Co., Ltd.	8,519	5.64
4	The Master Trust Bank of Japan, Ltd.	7,049	4.67
5	Trust and Custody Services Bank, Ltd.	6,035	4.00

#	Unitholders	Units	Ratio (%)
6	Trust and Custody Services Bank, Ltd.	2,690	1.78
7	The Joyo Bank, Ltd.	2,502	1.66
8	Nomura Bank (Luxembourg) S.A.	2,305	1.53
9	Mizuho Trust & Banking co., Ltd.	2,067	1.37
10	The Hokuriku Bank, Ltd.	1,689	1.12
Total		77,284	51.20

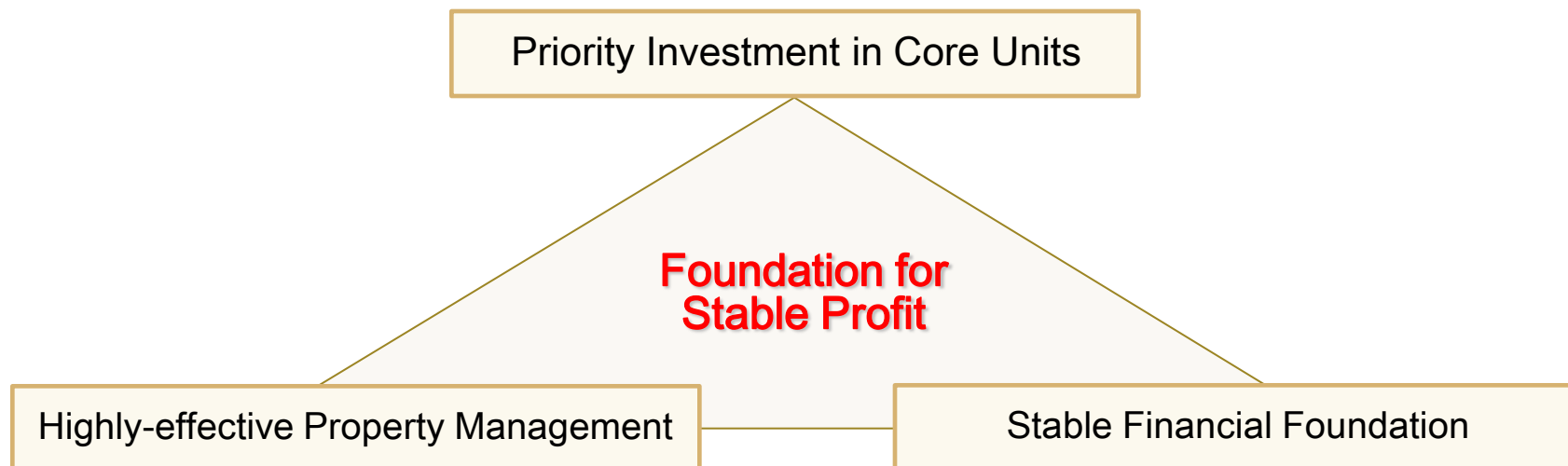
(Note) The Ratio is calculated as the percentage of Total Number of Owned Investment Units divided by Total Number of Issued Investment Units.



Characteristics of Fund

Characteristics of NRF

Structure for Generating Stable Profit

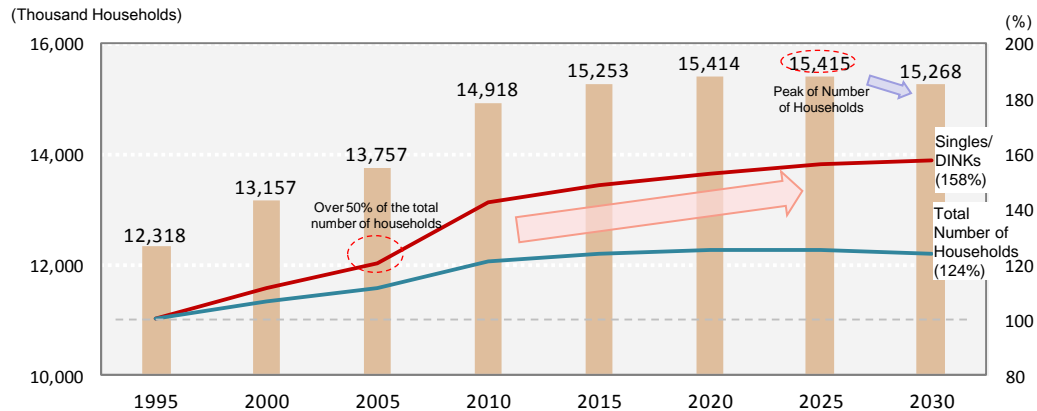


- **Priority Investment in Core Units** : Units with rents ¥150,000 or less, and areas under 50sqm
- **Highly-effective Property Management** : Taking measures for increasing property competitiveness and occupancy rate
- **Stable Financial Foundation** : Maintaining conservative financial policy

Priority Investment in Key Segments

Investment in the segments with high demand for rental properties

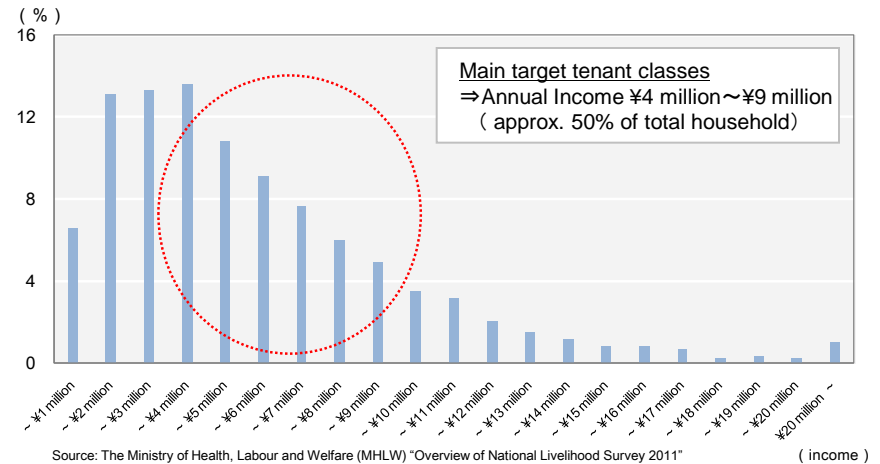
Changes in Number of Households ("Total" "Singles" "DINKs") [Greater Tokyo Area]



Source: Created by NREAM based on the National Institute of Population and Social Security Research (IPSS) "Number of Households by Family Type, Age (five-year groups), and Sex group."

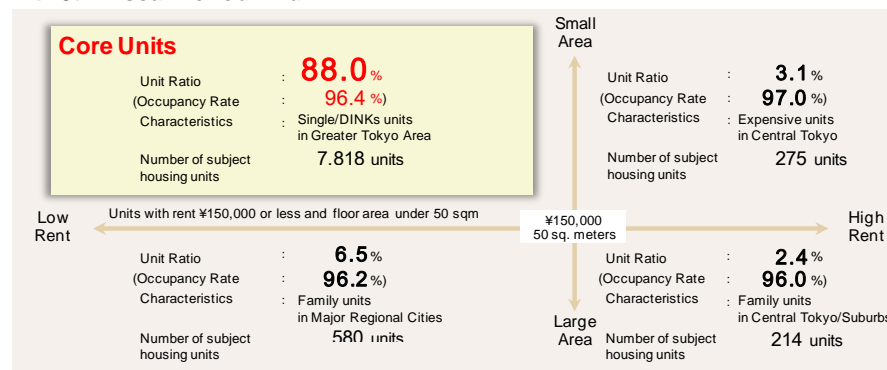
* The line graph shows changes in number of single or couple-only households and total number of households with 1995 set as 100.

Relative Frequency Distribution of Number of Households by Income [Nationwide]



Core Units (rent ¥150,000 or less, floor area under 50 sqm)

At 13th Fiscal Period End

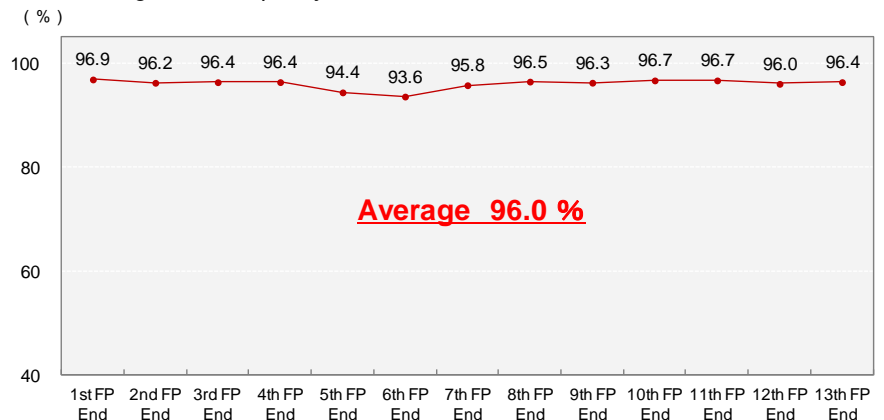


* Figures do not include data on stores.

(For reference) Total NRF portfolio

• Average Rent Per Unit approx. ¥94 thousand	• Leasable Units 8,928 units
• Average Leasable Floor Area Per Unit approx. 29 sqm	

Changes in Occupancy Rate of Core Units

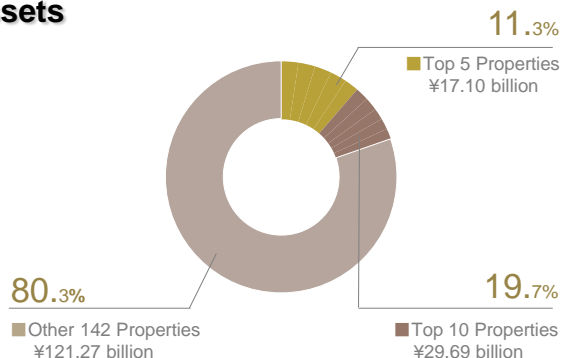


Portfolio Status (13th Fiscal Period End)

Diversification Within Assets

Improve portfolio stability through promotion of diversification

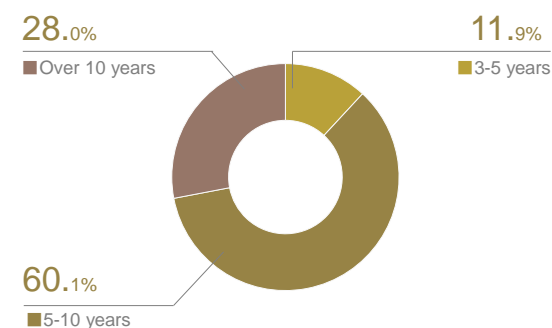
⇒ Top 10 Properties **19.7%**



Building Age

Considering the combination of various building age to avoid the bias of large-scale repair expenses

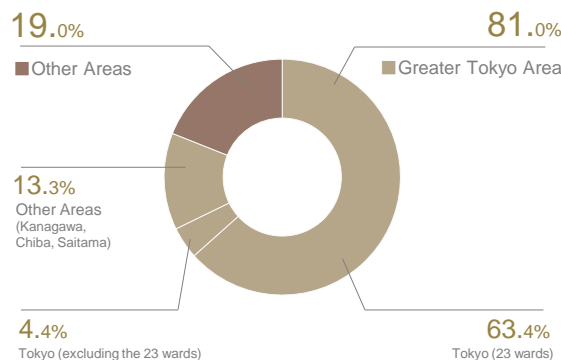
⇒ Average Building Age **9.9 Years**



Investment Area

Greater Tokyo Area 70% or more
Other Areas 30% or less

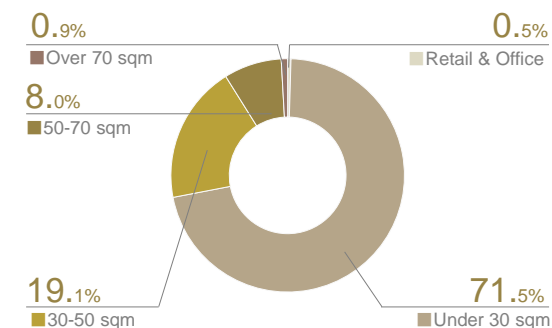
⇒ Greater Tokyo Area **81.0%**



Floor Area Per Unit

Investing in properties targeting single/DINKS/young family households for the foreseeable future

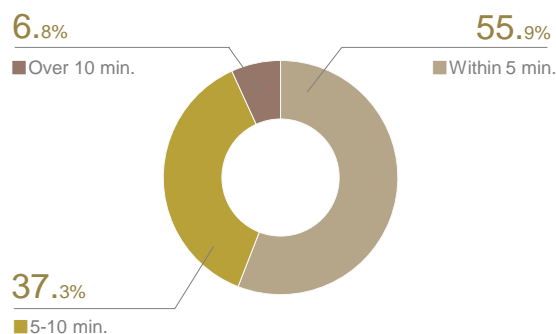
⇒ Under 50 sqm **90.6%**



Nearest Station on Foot

Selection focusing on accessibility to the nearest railway stations

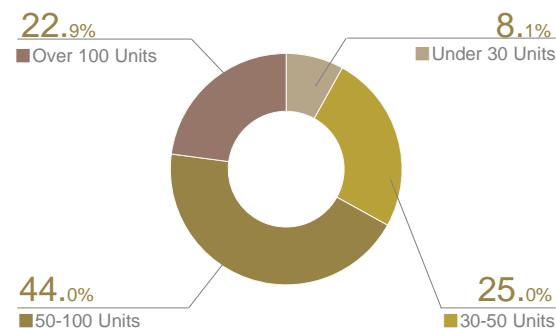
⇒ Within 10 min. **93.2%**



Units Per Property

Investing in properties with strong lease-up potential in a short timeframe

⇒ Average Unit Per Property **58 Units**



Appraisal Value Status (13th Fiscal Period End)

Appraisal Value

12th FP End Appraisal Value (A)* **¥142,381 million**

13th FP End Appraisal Value (B) **¥143,063 million**

Difference (B)-(A) + ¥682 million

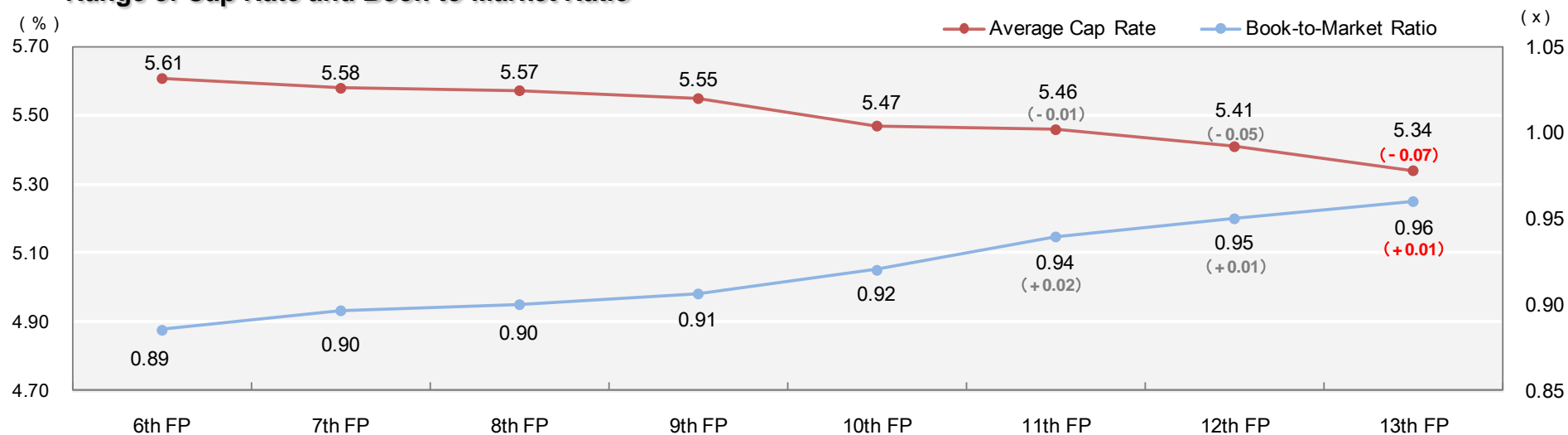
[Reference]

● BPS	:	¥469,326
● NAV per Unit	:	¥425,639

Appraisal Value Details

● Increase	74 properties (48.7 %)
● Flat	37 properties (24.3 %)
● Decrease	41 properties (27.0 %)
Total	152 properties (100.0 %)

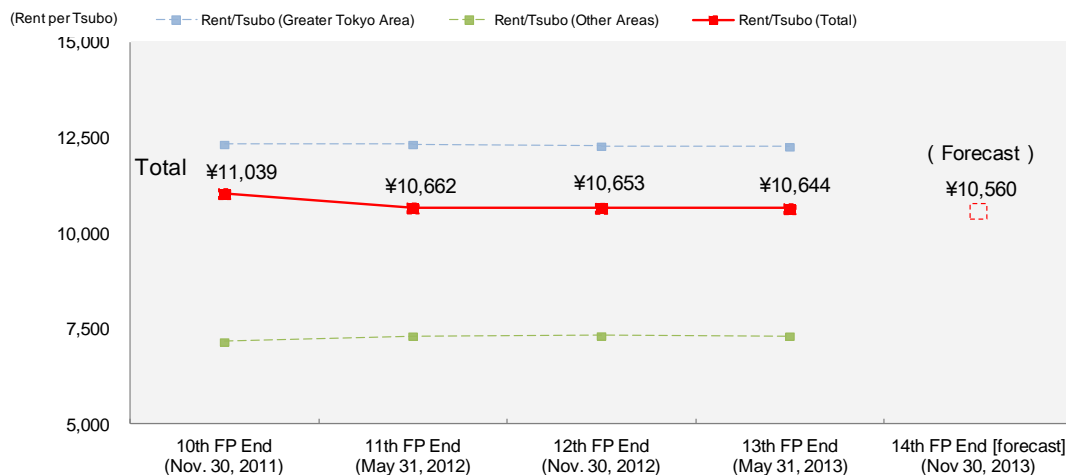
Range of Cap Rate and Book-to-Market Ratio



Changes in Revenue

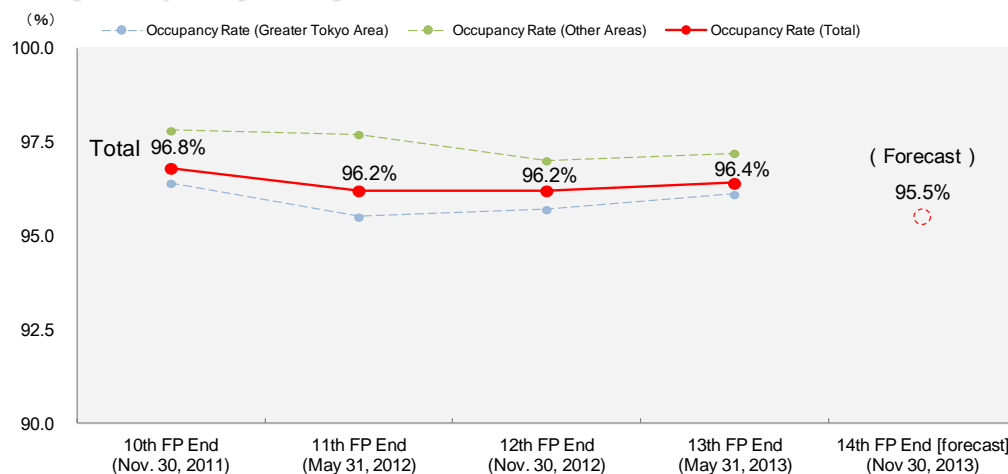
Changes in Rent per Tsubo and Occupancy Rate (10th FP End-14th FP End (forecast))

[Rent per Tsubo]



		10th FP End (Nov. 30, 2011)	11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End [forecast] (Nov 30, 2013)
Rent per Tsubo	Total	¥11,039	¥10,662	¥10,653	¥10,644	¥10,560
	Greater Tokyo	¥12,326	¥12,325	¥12,280	¥12,264	—
Details	Other Areas	¥7,149	¥7,302	¥7,306	¥7,302	—

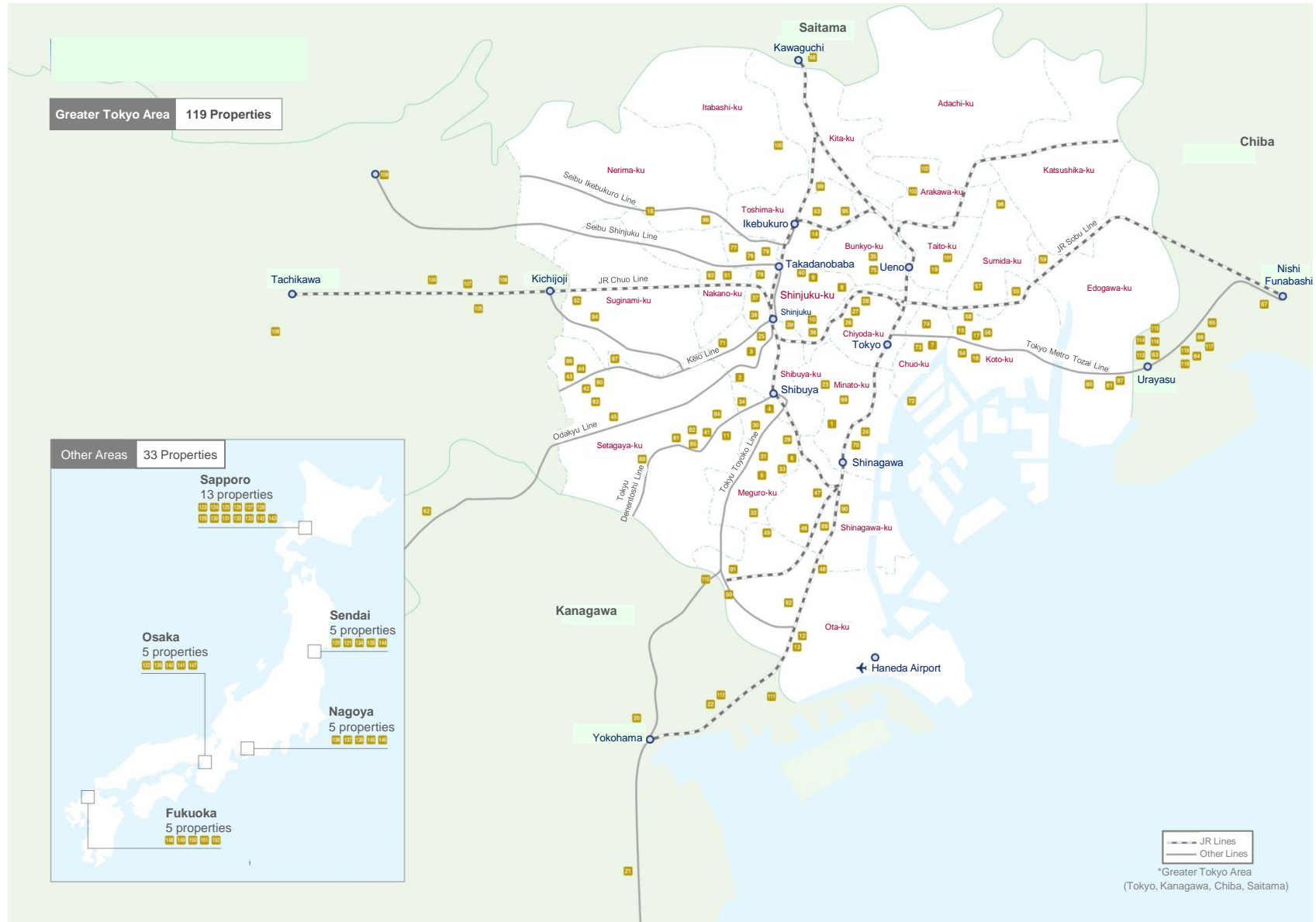
[Occupancy Rate]



		10th FP End (Nov. 30, 2011)	11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End [forecast] (Nov 30, 2013)
Occupancy Rate	Total	96.8%	96.2%	96.2%	96.4%	95.5%
	Greater Tokyo	96.4%	95.5%	95.7%	96.1%	—
Details	Other Areas	97.8%	97.7%	97.0%	97.2%	—

(Reference)		10th FP End (Nov. 30, 2011)	11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End [forecast] (Nov 30, 2013)
Turnover Ratio	Total	9.7%	14.8%	9.7%	13.2%	9.2%

Portfolio Map (152 Properties)



Portfolio

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2013)(%)
1	PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	3,510,000	2.3	2,950.11	106	96.7
2	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	0.7	1,151.34	44	98.0
3	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.6	958.98	31	93.7
4	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.5	638.70	30	93.3
5	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.5	934.39	41	100.0
6	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.6	855.23	40	100.0
7	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	1.5	3,055.21	110	97.9
8	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	1.0	1,793.43	70	100.0
9	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,110,000	0.7	1,450.91	60	97.0
10	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,010,000	0.7	1,102.20	41	97.1
11	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	0.9	1,277.82	48	92.3
12	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	0.8	1,541.64	67	91.4
13	PROUD FLAT Kamata II	Ota-ku, Tokyo	2,980,000	2.0	4,051.72	169	94.7
14	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	695,000	0.5	752.09	35	100.0
15	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	900,000	0.6	1,209.56	55	100.0
16	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	650,000	0.4	830.55	35	92.1
17	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,130,000	0.7	1,191.08	55	100.0
18	PROUD FLAT Fujimidai	Nerima-ku, Tokyo	1,370,000	0.9	2,222.05	94	100.0
19	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,960,000	1.3	2,685.39	79	94.3
20	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	1.6	3,118.12	113	93.2
21	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	2,770,000	1.8	4,872.17	200	100.0
22	PROUD FLAT Tsurumi II	Yokohama-shi, Kanagawa	1,430,000	0.9	2,219.74	81	97.1
23	PRIME URBAN Akasaka	Minato-ku, Tokyo	956,000	0.6	1,062.05	25	100.0
24	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.6	1,107.36	48	94.0
25	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.3	439.56	19	96.0
26	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	0.8	1,277.04	52	91.1
27	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.5	793.87	32	100.0
28	PRIME URBAN Idabashi	Chiyoda-ku, Tokyo	2,030,000	1.3	2,087.70	90	95.7
29	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	0.8	1,444.40	29	100.0
30	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	0.9	1,302.42	49	100.0
31	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.6	1,008.39	32	91.0
32	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.4	655.27	22	84.7
33	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.3	453.77	24	100.0
34	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	2.4	2,955.74	99	99.1
35	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.6	1,069.82	42	92.2
36	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,700,000	1.1	1,759.11	51	97.8

Portfolio

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2013)(%)
37	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	0.9	1,459.86	60	100.0
38	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.7	1,162.55	46	95.7
39	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.3	578.18	14	100.0
40	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	503,000	0.3	507.11	28	100.0
41	PRIME URBAN Sangen Jaya	Setagaya-ku, Tokyo	835,000	0.6	874.15	33	94.2
42	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	840,000	0.6	1,049.73	41	92.8
43	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.4	835.05	33	88.0
44	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	413,000	0.3	576.20	23	87.0
45	PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	885,000	0.6	1,027.44	38	97.5
46	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	624,000	0.4	961.25	46	95.9
47	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,700,000	1.1	2,106.16	99	96.0
48	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.5	1,190.70	54	98.1
49	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	576,000	0.4	834.90	46	95.7
50	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.6	1,100.17	44	90.0
51	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.4	818.75	33	100.0
52	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.3	543.09	24	95.7
53	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.5	944.99	46	100.0
54	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	1.5	3,207.92	118	96.7
55	PRIME URBAN Kameido	Koto-ku, Tokyo	705,000	0.5	1,117.34	52	100.0
56	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	552,000	0.4	813.52	40	87.5
57	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,180,000	0.8	1,886.50	77	98.7
58	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	668,000	0.4	991.62	49	100.0
59	PRIME URBAN Hirai	Edogawa-ku, Tokyo	700,000	0.5	1,095.91	53	92.5
60	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.4	905.81	45	97.8
61	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.6	1,437.84	68	95.6
62	PRIME URBAN Shinyurigaoka	Kawasaki-shi, Kanagawa	1,210,000	0.8	1,708.19	64	100.0
63	PRIME URBAN Urayasu	Urayasu-shi, Chiba	840,000	0.6	1,264.84	60	96.7
64	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.4	1,151.36	52	98.1
65	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	741,000	0.5	1,244.00	58	100.0
66	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	476,000	0.3	778.19	37	91.9
67	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.5	1,237.80	60	96.7
68	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	1.4	2,477.11	98	100.0
69	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	991,000	0.7	1,222.13	40	100.0
70	URBAN STAGE Shibaura LOFT	Minato-ku, Tokyo	1,510,000	1.0	1,905.39	68	95.9
71	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	452,000	0.3	650.60	38	100.0
72	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	2,290,000	1.5	4,524.00	145	90.7

Portfolio

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2013)(%)
73	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	2,250,000	1.5	3,600.61	46	94.8
74	URBAN STAGE Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	3,530,000	2.3	5,926.17	124	95.9
75	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.4	662.58	27	96.3
76	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.4	1,237.98	18	100.0
77	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	324,000	0.2	517.53	32	97.0
78	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.4	1,053.39	28	100.0
79	URBAN STAGE Mejiro	Shinjuku-ku, Tokyo	1,260,000	0.8	1,755.52	65	88.1
80	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	362,000	0.2	567.20	34	97.1
81	URBAN STAGE Kamiyama	Setagaya-ku, Tokyo	900,000	0.6	1,739.86	37	96.4
82	URBAN STAGE Sangen Jaya	Setagaya-ku, Tokyo	755,000	0.5	1,018.72	47	95.1
83	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.5	1,774.01	27	96.2
84	URBAN STAGE Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.4	810.98	17	91.3
85	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	396,000	0.3	572.41	26	82.2
86	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	344,000	0.2	507.52	28	100.0
87	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.5	1,384.45	29	90.5
88	URBAN STAGE Yoga	Setagaya-ku, Tokyo	1,150,000	0.8	1,773.05	54	93.0
89	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	530,000	0.4	722.70	45	100.0
90	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,100,000	0.7	1,782.26	93	94.2
91	URBAN STAGE Yukigaya	Ota-ku, Tokyo	970,000	0.6	1,536.59	94	93.6
92	URBAN STAGE Ikegami	Ota-ku, Tokyo	1,460,000	1.0	2,456.48	95	93.9
93	URBAN STAGE Nakano	Nakano-ku, Tokyo	472,000	0.3	801.30	51	100.0
94	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,080,000	0.7	1,746.20	107	95.4
95	URBAN STAGE Komagome	Toshima-ku, Tokyo	412,000	0.3	991.94	22	92.2
96	URBAN STAGE Mukojima	Sumida-ku, Tokyo	487,000	0.3	1,108.91	55	98.2
97	URBAN STAGE Kasai East	Edogawa-ku, Tokyo	940,000	0.6	1,884.62	78	100.0
98	URBAN STAGE Ekoda	Nerima-ku, Tokyo	385,000	0.3	872.49	35	97.5
99	URBAN STAGE Takinokawa	Kita-ku, Tokyo	287,000	0.2	554.39	29	100.0
100	URBAN STAGE Itabashi Kuyakushomae	Itabashi-ku, Tokyo	940,000	0.6	1,742.64	68	93.9
101	URBAN STAGE Asakusa	Taito-ku, Tokyo	350,000	0.2	876.70	22	97.0
102	URBAN STAGE Machiya	Arakawa-ku, Tokyo	210,000	0.1	455.19	26	100.0
103	URBAN STAGE Machiya South Court	Arakawa-ku, Tokyo	1,740,000	1.2	4,141.56	77	94.2
104	URBAN STAGE Koganei	Koganei-shi, Tokyo	229,000	0.2	682.43	27	100.0
105	URBAN STAGE Musashi Koganei	Koganei-shi, Tokyo	2,390,000	1.6	5,999.80	98	98.0
106	URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	1,590,000	1.1	2,961.06	80	86.9
107	URBAN STAGE Koganei Honcho	Koganei-shi, Tokyo	725,000	0.5	1,604.72	43	97.9
108	URBAN STAGE Hino	Hino-shi, Tokyo	319,000	0.2	994.68	54	88.9

Portfolio

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2013)(%)
109	URBAN STAGE Kumegawa	Higashimurayama-shi, Tokyo	1,370,000	0.9	2,610.05	91	99.1
110	URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	2,150,000	1.4	3,692.44	56	100.0
111	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	0.8	1,706.46	80	100.0
112	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.3	952.06	50	97.6
113	URBAN STAGE Urayasu	Urayasu-shi, Chiba	277,000	0.2	437.94	27	92.6
114	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	285,000	0.2	611.61	37	64.9
115	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	263,000	0.2	542.69	33	100.0
116	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	256,000	0.2	535.08	32	93.8
117	URBAN STAGE Gyotoku Ekimae	Ichikawa-shi, Chiba	561,000	0.4	927.33	46	100.0
118	URBAN STAGE Minami Gyotoku V	Ichikawa-shi, Chiba	293,000	0.2	662.68	38	90.0
119	URBAN STAGE Gyotoku	Ichikawa-shi, Chiba	948,000	0.6	1,766.47	77	98.7
Greater Tokyo Area			122,339,000	81.0	177,732.73	6,553	96.1
120	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.5	1,861.56	60	97.8
121	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	724,000	0.5	1,967.54	64	100.0
122	PROUD FLAT Shin Osaka	Osaka-shi, Osaka	1,430,000	0.9	2,990.68	112	96.5
123	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	377,000	0.2	1,518.58	33	94.0
124	PRIME URBAN Kita Juyo Jo	Sapporo-shi, Hokkaido	336,000	0.2	1,155.60	36	96.8
125	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	530,000	0.4	1,850.20	53	100.0
126	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	322,000	0.2	1,148.72	36	100.0
127	PRIME URBAN Kita Juichi Jo	Sapporo-shi, Hokkaido	600,000	0.4	1,851.39	60	98.3
128	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.4	2,114.53	54	96.2
129	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.3	1,494.36	36	100.0
130	PRIME URBAN Chiji Kokan	Sapporo-shi, Hokkaido	337,900	0.2	1,007.30	42	100.0
131	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.2	911.07	27	96.3
132	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.3	1,773.90	36	97.2
133	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.5	2,439.90	58	96.0
134	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	1,110,000	0.7	3,411.24	60	100.0
135	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	428,000	0.3	1,380.21	43	100.0
136	PRIME URBAN Aoi	Nagoya-shi, Aichi	724,000	0.5	1,571.04	46	88.4
137	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.4	1,391.02	58	100.0
138	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	1,189,096	0.8	2,502.11	104	96.2
139	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.4	1,189.12	48	93.8
140	PRIME URBAN Esaka II	Suita-shi, Osaka	790,000	0.5	1,392.00	57	94.0
141	PRIME URBAN Esaka III	Suita-shi, Osaka	1,535,000	1.0	2,151.67	79	92.7
142	URBAN STAGE Sapporo Riverfront	Sapporo-shi, Hokkaido	3,500,000	2.3	15,459.57	310	97.2
143	URBAN STAGE Kita Sanjo Dori	Sapporo-shi, Hokkaido	1,450,000	1.0	5,094.29	114	97.0
144	URBAN STAGE Tsutsumidori Amamiya	Sendai-shi, Miyagi	969,000	0.6	4,251.91	65	100.0

Portfolio

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2013)(%)
145	URBAN STAGE Kamimaezu	Nagoya-shi, Aichi	1,250,000	0.8	3,541.43	101	98.1
146	URBAN STAGE Izumi	Nagoya-shi, Aichi	2,800,000	1.9	7,543.10	250	95.4
147	URBAN STAGE Tamatsukuri	Osaka-shi, Osaka	906,000	0.6	2,373.10	80	97.5
148	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	830,000	0.5	2,176.23	67	96.2
149	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.2	897.84	34	100.0
150	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	396,000	0.3	1,222.34	39	94.4
151	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	693,000	0.5	1,854.13	65	98.7
152	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	545,000	0.4	1,740.70	48	97.9
	Other Areas		28,627,696	19.0	85,228.38	2,375	97.2
	Total		150,966,696	100.0	262,961.11	8,928	96.4

各種財務指標の推移

		8th FP	9th FP	10th FP	11th FP	12th FP	13th FP
Operating Revenues	million yen	4,466	4,510	4,445	5,250	5,174	5,257
Operating Profits	million yen	2,150	2,177	2,098	2,507	2,452	2,433
Net Income	million yen	1,514	1,465	1,477	1,856	1,875	1,876
Asset Total	million yen	140,614	140,534	140,152	156,780	156,703	156,576
Interest-bearing Debt Total	million yen	74,676	74,606	74,216	83,182	83,092	83,002
Net Asset	million yen	63,314	63,265	63,277	70,818	70,836	70,838
Return on Assets (ROA)	%	2.2	2.2	2.1	2.4	2.4	2.4
Return on Equity (ROE)	%	4.8	4.6	4.7	5.2	5.3	5.3
FP End Capital Adequacy Ratio	%	45.0	45.0	45.1	45.2	45.2	45.2
LTV	%	53.1	53.1	53.0	53.1	53.0	53.0
Interest Coverage Ratio	times	3.5	3.4	3.6	4.3	4.5	4.6
Weighted Average Interest Rate	%	1.62	1.61	1.47	1.28	1.27	1.24
Long-term Debt Average Remaining Duration	years	2.1	2.8	2.5	3.0	3.0	3.3
Rent NOI	million yen	3,459	3,452	3,424	4,016	4,010	3,953
NOI Yield (acquisition price base)	%	5.19	5.20	5.06	5.34	5.31	5.25
FFO	million yen	2,305	2,251	2,285	2,817	2,850	2,833
Portfolio	properties	144	143	145	152	153	152
Acquisition Price Total	million yen	133,416	132,890	135,046	149,862	150,587	150,966
Book Value Total	million yen	134,701	133,564	135,196	150,099	149,972	149,650
Appraisal Value Total	million yen	121,231	121,042	124,512	141,011	141,836	143,063
NAV per Unit	thousand yen	397	404	418	408	415	425

ROA=Current Profits/[(Total Asset Value at Start of FP+Total Asset Value at FP End)÷2]×100 *annual basis
 ROE=Net Income/[(Total Asset Value at FP Start+Total Asset Value at FP End)÷2]×100 *annual basis
 Capital Adequacy Ratio at FP End=Net Asset at FP End/Total Asset at FP End x 100
 LTV=Total Interest-bearing Debt at FP End/Total Asset at FP End x 100
 Interest Coverage Ratio=Net Income Before Interest Depreciation/(Interest Expenses+Investment Corporation Bond Interest)

Rent NOI=Real Estate Rental Business Revenues-Real Estate Rental Business Income+Current FP Depreciation and Amortization
 NOI Yield (Acquisition Price Base)=Rent NOI/Total Acquisition Price x 100 *annual basis
 FFO=Net Income+Current FP Depreciation and Amortization+Investment Corporation Bond Issuance Amortization-Real Estate Disposition Profit & Loss
 NAV per Unit=[(Net Asset Total-(Income Statement Total-Appraisal Value Total))/Total Number of Investment Units Issued]

Interest-bearing Debts (13th Fiscal Period End)

FP of Repayment	Amount of Repayment	Lender	Amount	Interest Rate	Date of Loan	Date of Repayment	Category
14th Fiscal Period (ending Nov. 30, 2013)	¥6,362 million	3 Lenders	¥5,472 million	1.74250%	Sep. 29, 2008	Sep. 29, 2013	Short-term Loan ¥ 15,652 million
		1 Lender	¥800 million	1.99875%	Sep. 27, 2007	Sep. 30, 2013	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
15th Fiscal Period (ending May 31, 2014)	¥9,290 million	2 Lenders	¥2,000 million	2.14360%	Feb. 27, 2007	Feb. 27, 2014	
		1 Lender	¥2,000 million	2.13625%	Feb. 27, 2007	Feb. 27, 2014	
		3 Lenders	¥1,700 million	0.79500% (Note 4)	Aug. 26, 2011	Feb. 27, 2014	
		6 Lenders	¥3,500 million	0.79500% (Note 4)	Sep. 30, 2011	Feb. 27, 2014	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
16th Fiscal Period (ending Nov. 30, 2014)	¥6,660 million	6 Lenders	¥3,170 million	0.73000%	Aug. 27, 2012	Aug. 27, 2014	Long-term Loan ¥ 57,350 million
		3 Lenders	¥3,400 million	0.94700%	Sep. 05, 2011	Sep. 05, 2014	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
17th Fiscal Period (ending May 31, 2015)	¥7,790 million	1 Lender	¥1,000 million	1.79200%	Feb. 26, 2010	Feb. 26, 2015	
		1 Lender	¥1,300 million	2.23500%	May. 15, 2007	Feb. 27, 2015	
		5 Lenders	¥5,400 million	0.96365%	Feb. 27, 2012	Feb. 27, 2015	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
18th Fiscal Period (ending Nov. 30, 2015)	¥9,790 million	5 Lenders	¥9,700 million	1.00900%	Feb. 27, 2012	Aug. 27, 2015	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
19th Fiscal Period (ending May 31, 2016)	¥4,790 million	1 Lender	¥4,700 million	1.00000%	Dec. 26, 2011	Dec. 26, 2015	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
20th Fiscal Period (ending Nov. 30, 2016)	¥10,530 million	2 Lenders	¥9,400 million	1.11700%	Dec. 26, 2011	Jun. 26, 2016	
		1 Lender	¥1,080 million	2.10000%	Aug. 27, 2009	Aug. 27, 2016	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note 3)	
21st Fiscal Period (ending May 31, 2017)	¥1,350 million	1 Lender	¥1,350 million	2.03000%	Feb. 26, 2010	Feb. 26, 2017	
22th Fiscal Period (ending Nov. 30, 2017)	¥3,920 million	3 Lender	¥3,920 million	1.08500%	Aug. 27, 2012	Aug. 27, 2017	
23th Fiscal Period (ending May 31, 2018)	¥5,420 million	6 Lender	¥5,420 million	1.12013%	Aug. 27, 2012	Feb. 27, 2018	
26th Fiscal Period (ending Nov. 31, 2019)	¥1,600 million	4 Lender	¥1,600 million	1.16500%	Dec. 03, 2012	Nov. 26, 2019	
27th Fiscal Period (ending Nov. 31, 2019)	¥1,000 million	1 Lender	¥1,000 million	1.48625%	May. 23, 2013	May. 27, 2020	
29th Fiscal Period (ending May 31, 2021)	¥4,500 million	1 Lender	¥1,000 million	1.68200%	May. 23, 2013	May. 27, 2021	
		1 Lender	¥3,500 million	1.62500%	May. 23, 2013	May. 27, 2021	
	¥73,002 million	19 Lenders	-	-	-	-	
19th Fiscal Period (ending May 31, 2016)	¥5,000 million	Investment Corporation Bond	¥5,000 million	1.21000%	Feb. 25, 2011	Feb. 25, 2016	
21st Fiscal Period (ending May 31, 2017)	¥5,000 million	Investment Corporation Bond	¥5,000 million	1.03000%	Feb. 24, 2012	Feb. 24, 2017	
	¥83,002 million	-	-	-	-	-	

(Note 1) The interest rate stated regarding this loan takes into consideration the Interest Rate Swap transaction.

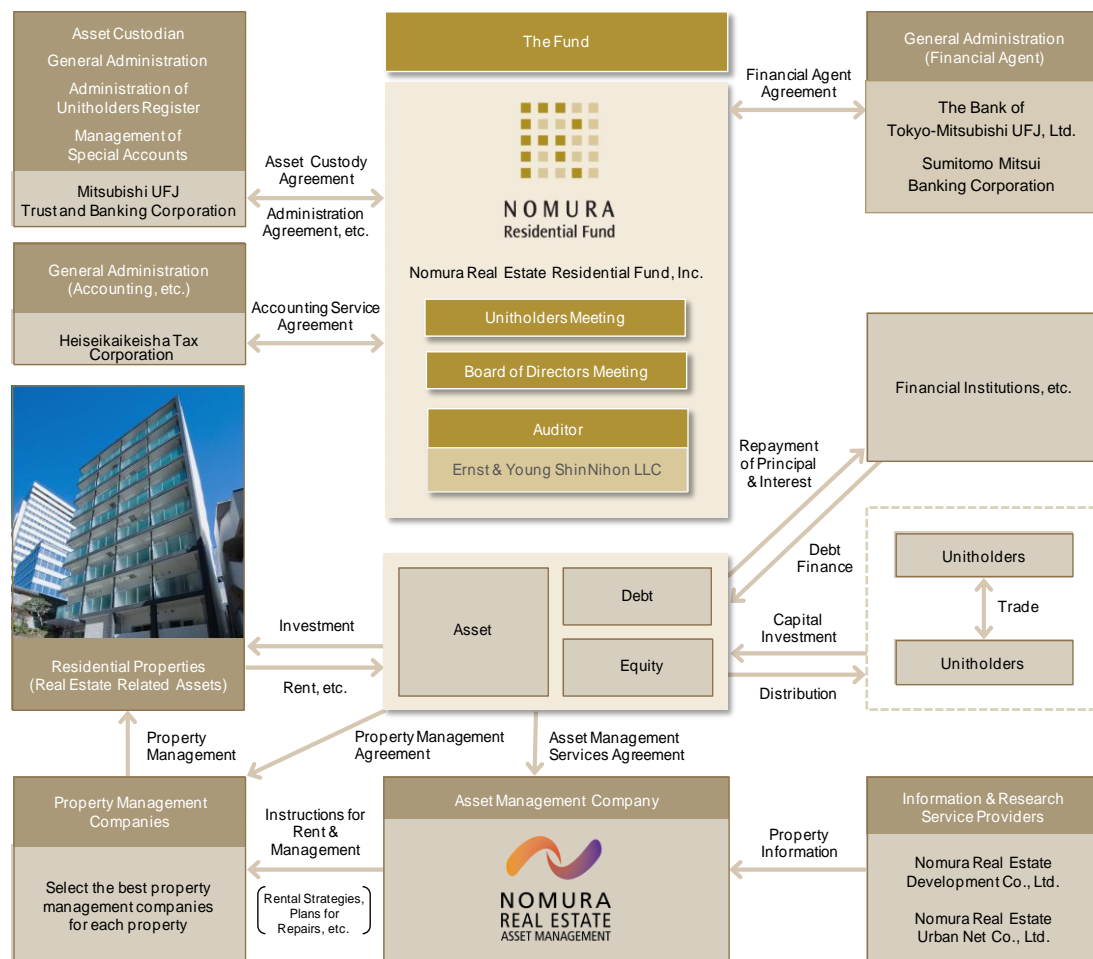
(Note 2) The amount of ¥40 million to be repaid on February 27, 2010, the first repayment date, and every August 27 and February 27 thereafter, until the last repayment of ¥1,080 million on August 27, 2016.

(Note 3) The amount of ¥50 million to be repaid on August 26, 2010, the first repayment date, and every February 26 and August 26 thereafter, until the last repayment of ¥1,350 million on February 26, 2017.

(Note 4) Regarding the Floating Rate, the interest rate as of the end of the 11th Fiscal Period is stated.

Fund Profile

Structure



History

July 28, 2006

Notification of incorporation by the founder (Nomura Real Estate Asset Management Co., Ltd.) under Article 69 of the Investment Trust Law.

August 3, 2006

Registration of incorporation under Article 166 of the Investment Trust Law. Incorporation of the Nomura Real Estate Residential Fund, Inc.

August 4, 2006

Applied for registration under Article 188 of the Investment Trust Law.

August 24, 2006

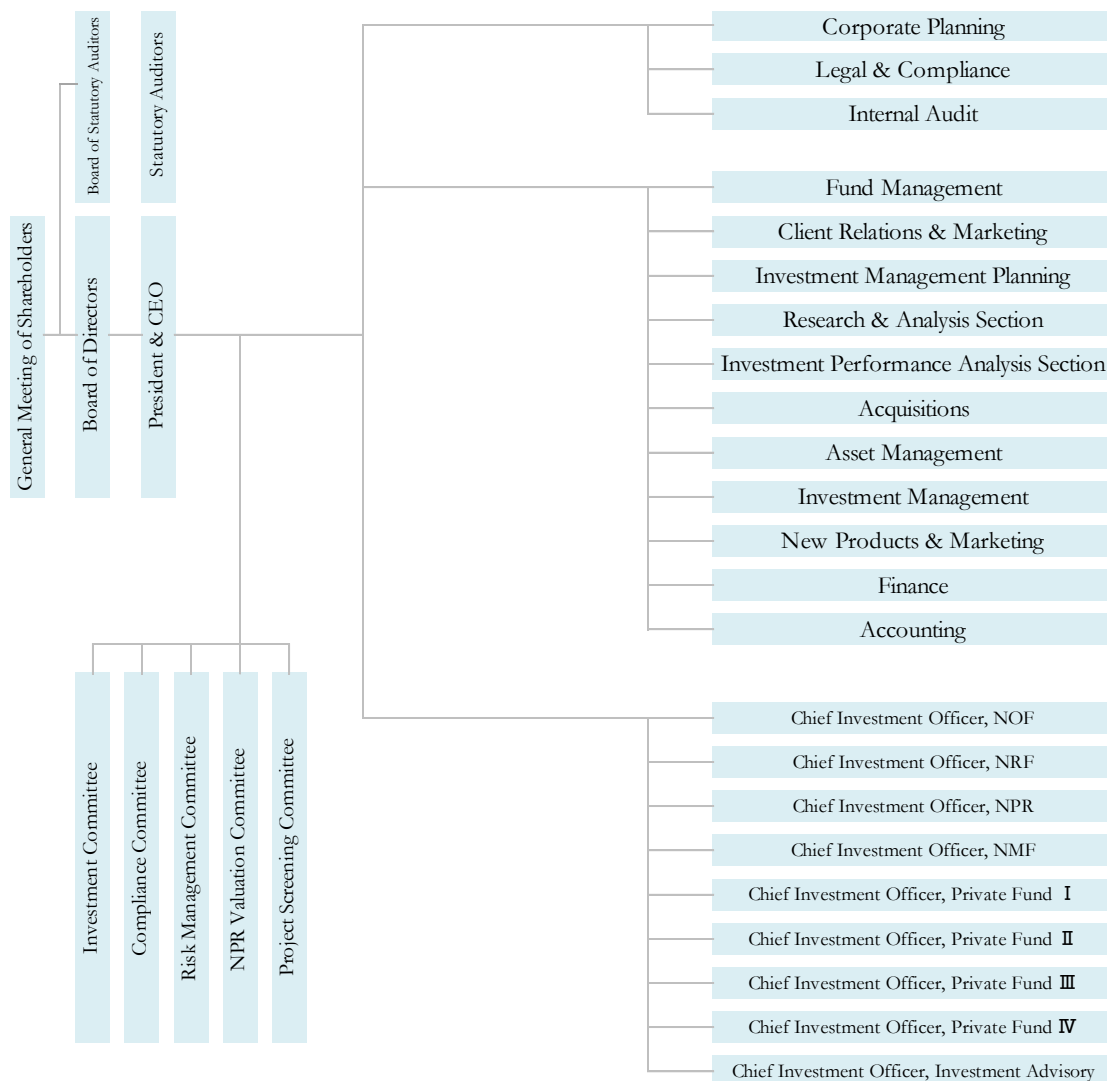
Registration approved by the Prime Minister of Japan under Article 187 of the Investment Trust Law (Registration number 56, filed with the Director of the Kanto Local Finance Bureau).

February 14, 2007

Listing on the Tokyo Stock Exchange.

Asset Management Company Overview

Structure (as of July 17, 2013)



Name	Nomura Real Estate Asset Management Co., Ltd.
Location	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo160-0023, Japan
Registrations, License, etc.	<ul style="list-style-type: none"> •Financial instruments business operator registration: Commissioner of the Kanto Local Finance Bureau (Financial Instruments) No. 374 •Licensed for discretionary proxy in realty trading: Minister of Land, Infrastructure and Transport Permit No.18 •Licensed for real estate trading: Governor of Tokyo (2) No. 81679
Memberships	<ul style="list-style-type: none"> •the Investment Trusts Association, Japan; the Japan Securities Investment Advisers Association, •the Association for Real Estate Securitization, etc.
Contact Information	Fund Management 03-3365-7729 nrf3240@nomura-re.co.jp



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For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, asset management reports, etc.

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